The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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Gen. Chang Chun Brings Much Improvement to Hupeh Provincial Government . . . . By S. Y. Chi

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Dairen.

Hongkong.

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Formerly Millard's Review

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CONTRIBUTING EDITORS

C. Y. W. MENG — S. Y. LEUNG

C. Y. HSIEH — PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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THE "FOUR CORNER" CHINESE INDEX SYSTEM

WHENEVER a Chinese takes up a telephone book with the object of finding the number of the firm or individual he wishes to call he is seen to make a series of cryptic motions with his hands and fingers. He seems to be engaged in some sort of a mathematical problem, meanwhile drawing the outline of a figure in the air. In a manner of speaking that is just what he is doing. He is writing the Chinese word in the air or on his hand (shadow writing, as it is sometimes termed) simultaneously counting the number of strokes that it takes to compose it. The arrangement of the names in a Chinese telephone book follows a very simple system, that is, all the words that have one stroke are on the first page—the figure 1 in Chinese, for example, is also written with one stroke, it being written horizontally, however, instead of vertically—then follow in numerical order those with two, three and more strokes, down to the last page—where, as happens to be the case with Shanghai Chinese telephone book (now a volume of 680 pages), the words with 24 strokes are grouped together. A Chinese dictionary is arranged somewhat similarly, although in this instance the words are arranged, not according to the number of strokes in the whole word, but according to the number of strokes in that particular one of the 213 group characters, which form part of every Chinese word—usually termed "radicals."

With the object of avoiding this cumbrous counting, several years ago Mr. Wong Yung-wu, chief executive of the Commercial Press, devised the "four corner" method of classifying Chinese words. In publishing its Chinese book this year, the Shanghai Telephone Co. inserted an index according to this new system,—although, pending a general understanding of it, the majority of users still use the old cumbrous counting method. We will not attempt to explain this index system, but merely mention that the stroke at or nearest each of the four courners is classified according to the digits 0 to 9, thus making a range of classifications running into the thousands—and once the user is accustomed to the idea, he can read off the classification at a glance,

and refer to the page number almost instantly. The foreign reader will get an idea of the old Chinese system of classification if he were to imagine the letter I coming first in the English alphabet because it is made with one stroke, and that the Z would come before the M because it has three strokes instead of four. Some inkling of the new system will be gained by supposing that the letters of the English alphabet were grouped according to their shape, for example, if the D and the P were to follow one after the other because they have in common a vertical stroke to the left and a half-circle-shaped stroke to the right.

THE ABYSSINIAN SITUATION IN A NUTSHELL

IT will require only a few words and a casual glance at the map of the northeast part of Africa to make it clear why Great Britain is taking such an intense interest in the Italo-Abyssinian conflict. About 350 miles southeast of Khartum—the city in the Soudan, the taking of which make Lord Kitchener famous—lies a fairly large-sized lake (in Abyssinian territory), the name of which is Tsana. It is the source of the Blue Nile, and any modern Power that controls this lake has, in these days of huge civil engineering accomplishments, the fate of the Soudan and Egypt largely in its hands. The only part of Egypt that is worth anything from an agricultural point of view is the narrow strip of green lying along both banks of the Nile. The waters of the Nile are at present controlled by British engineering works, and British control of these engineering works in the Soudan has been one of the chief means by which the British have held the Egyptians in their power. The British in the Soudan are in the position of being able at will either to shut off the irrigation water almost entirely, or flood the whole valley of the Nile. Negotiations have been in progress for the past several months between the Abyssinian government and the J. G. White Engineering Corporation, an American concern, to build a dam at Lake Tsana. The capture of that country by the Italians would undoubtedly also interfere with this American project. Should the Italians get control of this lake they would to a large extent have the huge British cotton plantations in the Soudan at their mercy. For, just as the British by control of the upper reaches of the Nile in the Soudan have the Egyptians at their mercy, so would the Italians by controlling the water still further south have the British at their mercy. In such a situation, Britain, true to form, has looked around for allies, and the Germans, in the existing international lay-out, are the logical partners. Still another reason for the British to "play up" to the Germans has an African angle. The White (and that means principally the British) hold on Africa has been slipping of late, and in such an emergency Hitler's countrymen with their disdain for anything non-Nordic—in Ku-Klux Klan parlance they have no use for "niggers" or "sheenies"—can be depended on to give a good account of themselves in any conflict where a race issue is involved.

THE FOURTH AND THE FOURTEENTH

BY the time this journal reaches its readers, the American communities in Shanghai and elsewhere will have celebrated the Fourth of July, American Independence Day. In the meantime the French Community is enthusiastically preparing for the Fourteenth of July celebrations in commemoration of the Fall of the Bastile. Both days are similar in that they mark the beginning of a greater freedom. However, in both America and in France there is some confusion as to what the two days commemorate. Probably nine out of every ten Americans would say that the Fourth of July is the day which marks the signing of the Declaration of Independence. Indeed, old Fourth of July prints show the delegates in formal attire sitting around a table to do the signing. What really happened on the Fourth of July was that the Declaration was agreed to by the Committee of the Whole Continental Congress on that date. The signing was done in August, not all on the same date, and of the 56 signers, seven were not members of the Congress on July 4, and of those who were present on that day seven never affixed their signatures. As regards the French holiday and the taking of the Bastile, although this old fortress had in previous years been used as a political prison, when it was stormed in 1789, the total of prisoners found there was seven, and all of them were there for good reasons, not connected with politics. What was at the time recorded as the discovery of an instrument of torture was later found to be an old printing press (operated by a screw or lever) which had some years previously been seized in a clandestinely operated publishing establishment and stored there.

TEN YEARS OF THE NATIONAL GOVERNMENT

One of the best informed writers on Chinese political matters is "A Chinese," who conducts a department in the official French daily newspaper "*Le Journal de Shanghai*. The following is a translation of an article from his pen on the occasion of the tenth anniversary of the founding of the Nationalist Government at Canton.

TEN years ago the Kuomintang established at Canton the National (then known as the Nationalist) Government after the death of Dr. Sun Yat-sen in Peking in March, 1925. The great city in the south has been, since the installation of the republican regime, the center of opposition and agitation. It was there that Dr. Sun Yat-sen installed himself each time that he renewed the struggle against the government at Peking and the militarists who opposed him. Although it was the *de facto* capital at different periods and the seat of the revolutionary government, it was never called the capital. Even after the definite transfer of the seat of the Nationalist Government to Nanking, the great southern city was chosen as general headquarters by the politicians, the members of directing committees of the Kuomintang and the discontented generals of the south-west who represented the opposition. The latter, while maintaining friendly relations

with Nanking, did not repudiate all association with the "long gown" clique, whose recognized head, Hu Han-min, has just left for Europe.

Important events have taken place in the course of these ten years. This period will be one of the most interesting in the history of the National Government and the Kuomintang. After failing in his attempt to establish a form of democratic parliamentary government in China, Dr. Sun Yat-sen came to what he called the necessity of a government by party. He wished thus to educate the Chinese masses in civic matters and prepare them for a regime of democratic government, which would be preceded by a period of military conquest and another period of political tutelage. The conclusion of the first period coincided with the proclamation of national unification by the party chiefs in power, while the period fixed for the second is near its end. While preparing the people for the exercise of their sovereign power, the supreme councils of the Kuomintang have been likewise preparing the organization of a future democratic regime,—a very heavy responsibility when one thinks of the numerous difficulties to be met in the achievement of such a formidable task. Within, it has been necessary to fight the communists and bring the warlords to complete submission to the central authority. Tremendous progress has been made; reconstruction by unification has already shown reassuring proofs of its success. Foreign complications have arisen to impede the action of the government within its own borders. Fortunately, its leaders, following the advice of Dr. Sun Yat-sen on his death-bed, continued their strenuous efforts to assure the "triumph of the revolution," that is, the arrival of a democratic regime.

Important changes have taken place in the form and functioning of the National Government since its transfer to Nanking. First there was the break with the Soviet advisors; then the inauguration of the five Yuan. Relations between Nanking and the provinces have been considerably improved, permitting the adoption of a national budget, and reconstruction under the control of national economic advice. If there had not been regrettable incidents in the North and discord with the South, there is no doubt that, at the end of the first decade of the Kuomintang government, the situation would have been entirely different. It is undeniable that the leaders in power, in spite of their good intentions and the unquestioned proofs of energy which they have given, have not yet achieved the object in view. They have nevertheless run a good race. May they persevere, so that they may eventually bring about the advent of a democratic regime, after having liquidated the foreign difficulties and stabilized Sino-Japanese relations.

Liquidator Hough Says Raven Drew Large Honorarium When He Knew A.-O. Bank Was Insolvent

TWO weeks ago in a discussion of the affairs of the American Oriental Bank in these columns it was mentioned that the public would be glad to have some details of the salaries which Frank J. Raven (and the other officials of the bank) have been drawing. It has since transpired that Mr. Raven (according to an action filed in the United States Court for China and the records of the American Oriental Bank and the allied institutions) got much more than a salary. A little over three years ago he voted himself—for that is what the transaction amounted to (as he held the controlling voice)—a bonus, or honorarium, of Tls. 135,000 from the American Oriental Bank. According to F. L. Hough, Mr. Raven also received a similar sum from each of the two other defunct institutions, the Raven Trust Co. and the American Oriental Finance Corporation—that is, a total of Tls. 405,000, which at the exchange rate of $1.40 to a tael, makes the tidy sum of $567,000.

Based on a situation allegedly as above outlined, Mr. Hough filed a bill of complaint in the U. S. Court for China June 29, in which Frank J. Raven is declared to be indebted to the A.-O. bank for Tls. 135,000, for which payment is demanded together with interest at six percent per annum. The full text of the complaint is as follows:

Your orator, Frank L. Hough, as liquidator of The American-Oriental Banking Corporation, brings this bill of complaint against Frank J. Raven, and hereupon your orator complains and says:

1. The aforesaid The American-Orienal Banking Corporation is a corporation organized and existing under and by virtue of the laws of the State of Connecticut, United States of America, and for more than 10 years last past has maintained offices and carried on a banking business in Shanghai, China, and Tientsin, China, and nowhere else, and is subject to the jurisdiction of this Honorable Court.

2. On May 27, 1935, the said The American-Oriental Banking Corporation filed a bill in equity in the above entitled court (In the Matter of the Liquidation of The American-Oriental Banking Corporation, Cause No. 3870, Civil No. 1813) praying for the appointment of a liquidator to take over all of its assets and business for the purpose of liquidating the same and upon hearing said bill in equity your orator, Frank L. Hough, a citizen of the United States of America residing at Shanghai, China, was by order of this Honorable Court on the 3rd day of June, 1935, appointed liquidator of The American-Oriental Banking Corporation, and your orator, Frank L. Hough, is now the duly appointed, qualified and acting liquidator of said corporation, and the business and affairs of said corporation are now being liquidated by your orator.

3. The defendant is a citizen of the United States of America residing at Shanghai, China, and now is and for more than 10 years last past has been a director and president of the aforesaid The American-Oriental Banking Corporation.

4. During all of the period of 10 years last past defendant has controlled said The American-Oriental Banking Corporation by reason and virtue of the fact that during said period defendant has owned and controlled a majority of the voting stock of Raven Trust Company, Federal Inc. U.S.A. (a corporation), which last named corporation now owns and controls and during all of said period owned and controlled a majority of the voting stock in The American-Oriental Finance Corporation Federal Inc. U. S. A. (a corporation), which last named corporation now owns and controls and during all of said period owned and controlled a majority of the voting stock in the said The American-Oriental Banking Corporation.

5. The American-Oriental Banking Corporation is now insolvent in that its liabilities are greater than its assets and at all times between the 31st day of December, 1931, and the present time the said corporation has been insolvent.

6. At a meeting of the board of directors of the said The American-Oriental Banking Corporation held at Shanghai China, on January 12, 1932, at which time defendant was a director and president of the said corporation and controlled said corporation in the manner aforesaid, and at which meeting all of the directors, including defendant, were present, a resolution in the following words and figures was unanimously adopted:

"Resolved, that in view of the long and faithful service performed without salary or other compensation by Frank J. Raven as president, manager and promoter of The American-Oriental Banking Corporation, an honorarium of One Hundred Thirty-five Thousand Taels (Tls. 135,000.00) be voted to him in recognition of work well and faithfully performed; and,

"Be It Further Resolved, that the Treasurer be authorized to make this entire payment to said Frank J. Raven at once; and to write off from the books of this company over a period of six (6) years, or fewer, One Hundred Thirty-five Thousand Taels (Tls.135,000.00); the amount to be written off in the year 1932 to be Thirty-five Thousand Taels (Tls.35.-000.00) and the amount to be written off in any one year thereafter to be governed by the net profits accruing to this company during this period."

And pursuant to the aforesaid resolution on January 13, 1932, The American-Oriental Banking Corporation paid to defendant and defendant received from it the sum of Sh. Tls. 135,000,00, being equivalent to $188,811.18, Chinese currency.

7. At the time the aforesaid sum of Sh. Tls. 135,000.00 was received by defendant, The American-Oriental Banking Corporation was not indebted or otherwise obligated to defendant and defendant then and there knew that said corporation was then and there insolvent and that its assets were insufficient to meet its liabilities and obligations to its depositors and creditors and thereupon and by reason of reason of the foregoing defendant was and became obligated in equity and good conscience to immediately repay to the said corporation the said sum of Sh. Tls. 135,000.00.

8. Since the payment of the aforesaid sum of Sh Tls.135,000.00 by the said The American-Oriental Banking Corporation to defendant, the said moneys have been due and owing by defendant to the said corporation and defendant has failed and refused to pay the same or any part thereof to the said corporation. and defendant is now indebted to said corporation in said sum of Sh Tls. 135,000.00.

Wherefore your orator prays that a decree and order be entered herein—

1. That defendant pay to complainant the sum of $188,811.18, Chinese currency, which is of value equivalent to Sh Tls. 135,-000.00 together with interest at the rate of six per cent per annum from the 13 day of January, 1932, to the date when payment shall be made by defendant;

2. And that complainant may have such other and further relief in the premises as the circumstances of the case may require and as to this Honorable Court may seem just and proper.

And your orator as in duty bound will ever pray.

In an interview in the bank premises on Sunday Mr. Hough is quoted as having said that Mr. Raven paid a call on him the previous day and had voiced his intention of leaving for the United States via Manila and that he (Mr. Hough) had advised against it. "I thought he might leave," Mr. Hough added. This last was in explanation of the fact that he had late on Saturday night applied for and secured from Judge Helmick a writ of *ne exeat* requiring Mr. Raven to post bail or security in the sum of U. S. $20,000, that he will not go or attempt to go into parts beyond the Republic of China and the jurisdiction of the Court. The text of the writ, which was issued to U. S. Marshal Edward L. Faupel, (and which was served on Mr. Raven at his home 555 Hungjao road on Saturday night) is as follows:

"Whereas . . . amongst other things . . . defendant is greatly indebted to said complainant and designs quickly to depart from the Republic of China and the jurisdiction of this Court, as by oath made on that behalf appears, which tends to the great prejudice and damage of the said complainant, therefore, in order to prevent this injustice, I hereby command that you do, without delay, cause the said F. J. Raven . . . personally to come before you and give sufficient bail or security in the sum of U.S. $20,000, that the said F. J. Raven will not go or attempt to go into parts beyond the republic of China and the jurisdiction of this Court, without leave of this Court. And in case the said F. J. Raven shall refuse to give such bail or security, then you are to keep him in your safe custody until he shall do it of his own accord."

In order to ensure that there would be no slip up, for it is to be noted that the responsibilty for the whereabouts of Mr. Raven, by the terms of the writ, was placed upon the Marshal, a deputy from the Marshal's office stayed at the Raven residence for the night, and this deputy was relieved by another one in the morning. The limit for the posting of the bond of $20,000 was set at 5 p.m. July 1, and it was pointed out that in case the bond should not have been posted, Mr. Raven would have had to be taken into custody and placed in the Amoy Road prison until the bond formalities were complied with. Only a few minutes before the appointed time, Mr. Raven, accompanied by a deputy marshal, appeared at the Marshal's office in the U. S. Court for China premises, together with his brother, Charles Raven and four prominent members of the Shanghai community, who forthwith proceeded to sign the necessary papers to qualify as bondsmen under the terms of the writ. The four bondsmen, who are bound jointly and severally, and whose qualifications were pronounced satisfactory by Marshal Faupel, are:

George Fitch, of the Foreign Y.M.C.A.;

C. H. French, head of American Chamber Commerce and Vice-president and treasurer of Andersen, Meyer & Co., Ltd.;

Charles S. Boynton, secretary of the National Christian Council;

Dr. A. M. Dunlap, practising physician.

The terms of the bond make each person liable for the full amount in case of default by any other bondsmen.

Mr. Raven in an interview (during the interim for posting the bond) stated that he had had no intention of leaving the country. It will be noted that the terms of the bond will not be broken even though Mr. Raven should leave Shanghai for some other part of China. Mr. Raven also reiterated a belief that, although it may take many years, depositors in the bank would be able to recover practically all of their deposits. He mentioned in this connection that the trouble was mostly "frozen assets"—a condition which he said faced many other banks. This was quite a different picture than that presented by the liquidator who, it is to be noted, charges in his bill of complaint that the bank was already insolvent more than three years ago and that Mr. Raven knew it. The liquidator also pointed out the American Oriental Banking Corporation was not originally incorporated as a bank, but as a trading company under the laws of Connecticut, and that it had engaged in operations which the laws of Connecticut would not have allowed if it had been incorporated primarily as a bank.

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Day by day further details are coming to light of the misery which has been caused by the failure of the Raven institutions. The liquidator says he sees no hope of those who invested in the Raven Trust Co. getting any-

thing whatever, as the only tangible assests are various pieces of furniture. As regards the bank, what is here related by one depositor may be a typical instance. This particular man had a deposit of some tens of thousand dollars. He, at various times during the past year, had reason to believe that the institution was not sound. He actually only a few days before the closing went with his wife to the bank for the purpose of withdrawing his whole account. He happens to know socially several of the bank's officers. They told him that he was foolish, that the bank had lots of money, and the best proof of it was that they had always been paying a good dividend. It may be recalled that Mr. Raven himself in a statement published in the daily newspapers on the day following the closing of the bank mentioned that shareholders had never been paid less than eight percent on the market value of their shares and sometimes as much as 25 percent. The upshot was that this depositor's wife was impressed by the assurances of the bank's officials and persuaded her husband to leave his money. This incident recalls one that took place some years back in New York City when a certain bank was reported to be shaky. Max Steuer, famous Manhattan attorney, and his wife had decided on a certain morning that she should go to the bank and withdraw her account. At his office, later, the wife informed him from the bank over the telephone that the bank officials assured her that everything was all right. Mr. Steuer's answer was: "Rachel, did you go to the bank to engage in conversation or to withdraw your money?" She took the hint and withdrew her account. The bank closed its doors a few days later. The incident above related had no such happy ending. This particular depositor says that a certain gentleman, who some years back changed his name from a Continental one to a name more Anglo-Saxon in nature, is thoroughly acquainted with the details of the bank's operations, buying of gold bars, exchange transactions, and so on, was to be seen going in and out of the bank daily, and if called as a witness in any legal proceedings regarding the bank's affairs would be able to throw much light on the situation.

The most pitiful of all the cases of the bank's creditors are the many hundreds of Russian refugees, some of whom were old couples, living in back rooms in out-of-the-way places, existing on the barest necessities, scraping a dollar here and a dollar there, so as to make a bank deposit—a hundred dollars or so, frequently less—so that they might have some little hold on the future, and who are now deprived even of that. Mr. Hough relates that some of the missionaries who had written him harrowing letters begging him "in the name of the Lord" to let them have a part of what is due to them, were among the wealthiest of the Bank's depositors. One missionary had deposits totalling $62,000.

One owner of A. O. F. C. shares states that when some time ago the corporation demurred against advancing him a loan on its own shares, he immediately (and luckily) sold them, despite a considerable loss.

In his statement on the day the bank closed, above referred to, Mr. Raven declared emphatically that the "bank had no interest in the so-called allied companies," meaning the A. O. F. C., the Raven Trust Co. and the Asia Realty Co. One must evaluate the word "interest" in Mr. Raven's statement in determining its worth, but the balance sheets afterwards made public showed that the bank had either loaned or granted overdrafts to the Asia Realty for over a million dollars, to the Raven Trust for over $700,000 and to the American Oriental Finance Corporation for more than $100,000. The Raven Trust, be it remembered, in the words of the liquidator, has no tangible assets other than a small quantity of office furniture. Another point brought out by the liquidator is that Mr. Raven himself is indebted to the bank for an overdraft for several tens of thousands of dollars, and this overdraft stands in the bank's accounts as an asset.

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TWO ADDITIONAL SUITS—FRAUD ALLEGED

Two additional bills of complaint, one of which contains an allegation of fraud, were filed against Mr. Raven, by Mr. Hough, the liquidator, in the United States Court for China July 3. Each of the petitions requests judgment against the defendant to the amount Tls. 135,000, making a total of Tls. 270,000. One was filed on behalf of the American-Oriental Finance Corporation, in liquidation, and the other for the Asia Realty Company, in process of reorganization. The allegation of fraud is contained in the petition filed to recover the bonus paid by the Asia Realty Company. In this regard, the petition states:

> "The defendant is now indebted to said corporation in the sum of Sh. Tls. 135,000, and the defendant's receipt and retention of the last aforesaid moneys is wrongful and fraudulent in that at the time, all salaries and other compensation had already been received by him."

The complaint states, that for a long period of time prior to Jan. 13, 1932, Mr. Raven received and was paid by Asia Realty Company, a monthly salary of $2,000 per month, and hence the company was in no way obligated to him.

Time Magazine of June 17 in noting (page 22) the Raven collapse mentioned that the bank was much patronized by "Missionaries, the U. S. Marines and Shanghai———." We are not brave enough to supply the missing word.

Balance Sheet of Tientsin Branch of A.-O. Bank Is Published

A statement covering the Tientsin branch of the American-Oriental Banking Corporation was issued by Frank Hough, liquidator, end of last week. The accounts showed that the Tientsin branch was apparently in a somewhat better condition than the head office in Shanghai. In this case, however, the figures are merely those of the bank and are more hypothetical than real. The stated assets were: $2,162,192.12—and the liabilities, $1,853.159.65. There was a sum of $1,299,762.85 for loan and overdrafts, but Mr. Hough said that in his own opinion, the actual value would be shown to be much less. There were indications that the Tientsin branch might eventually pay 50 cents on the dollar.

Soviets Send Sharp Note to Japan, Recall Many Former Border Incidents

"Considering that the above facts of violation of frontiers on the part of the Japano-Manchurian authorities are pregnant with grave consequences for relations between the U.S.S.R. and Japan and for the cause of peace in the Far East, the Government of the U.S.S.R. has instructed me to lodge with you, M. Minister, a resolute protest in connection with this conduct by local military Japano-Manchurian authorities, the consequences of which rest with the Japanese Government.

"I am at the same time instructed to bring to your notice that the Soviet Government cannot permit Japano-Manchurian shipping in the internal waters of the U.S.S.R., and that if notwithstanding all warnings made, the Japano-Manchurian steamers attempt to pass through the Kazakevicheva Channel by force and enter the internal waters of the U.S.S.R. around Santsyaochow Island near the town of Khabarovsk, the responsibility for the consequences will rest with the Japano-Manchurian authorities.

"The Soviet Government expects that the Japanese Government, which has repeatedly declared its desire to maintain peaceable relations on the frontier, will take speedy and resolute measures to prevent provocative actions on the part of local military Japano-Manchurian authorities, pointing out to them the entire inadmissibility and danger of the type of actions they have adopted on the frontier."

THE above are the concluding paragraphs of a strongly worded Note handed by the Soviet Ambassador in Tokyo, M. Yurenev, beginning of this week, to Mr. K. Hirota, Japanese Minister of Foreign Affairs, protesting against the alleged violation of the Soviet frontier on the Amur river on June 27 by two Manchukuo gunboats. The Soviet protest went on to say that the gunboats, despite repeated warnings, refused to alter their course after being told that navigation of a certain channel in the river was prohibited, but trained their guns on Soviet patrol cutters and took photographs. The Soviets allege that the incident is the result of the apparent desire of local authorities in Manchuria to provoke conflicts and complications between the Soviets and Japan, and that it has attracted all the more attention because "an increase in the number of irresponsible, provocative actions on the part of local military Japano-Manchurian authorities on the Manchukuo-Soviet frontier, has recently been observed." The Soviet Ambassador then set out a series of seven incidents which had taken place in the last two months and about which Soviet representatives had already made representations either at Harbin or at Tokyo.

The seven incidents cited were:

On May 1 a Japano-Manchurian detachment of about 10 soldiers crossed the frontier, ambushed themselves in the vicinity of frontier post number 22, about one-half kilometer from the frontier in Soviet territory near the Grodekovo-Pogranichnaya line and opened fire on a Soviet frontier patrol of four men who were passing by. As a result, frontier guard Syupov was instantly killed.

On May 6 in the area of the village of Rykovskoye, a patrol of two Soviet frontier guards who were on the Soviet bank of the Sungach River were suddenly fired upon from the Manchurian bank of the river by a machine gun and as a result, Senior-Patrol Fomin was killed and frontier guard Trubnikov was wounded.

On June 3, a Soviet patrol of two guards who were 1,700 meters inside Soviet territory, were suddenly fired upon from the rear by no less than 20 Japanese soldiers in ambush.

On June 16, a passing Manchurian cutter opened machine gun and rifle fire on a boat sailing near the Soviet bank. On the same date the village of Tapikha, 20 kilometers north of Blagoveschensk was fired upon from the Manchurian bank of the Amur River by an automatic gun.

On June 23, a detachment of 40 Japanese soldiers with two officers, violated the Soviet frontier at a point located 4 kilometers south of frontier post number 24 in the Grodekovo-Pogranichnaya district, and penetrated about 1½ kilometers into Soviet territory.

On June 26, a detachment of 40 Japanese soldiers in battle formation, again crossed the Soviet frontier at the same front.

Krasnaya Zvezda, the official organ of the Commissariat of Defence, emphasizes that recent incidents are not merely isolated cases of irresponsible conduct on the part of individual, local Japan-Manchurian military authorities, but a system of provocative actions which seek to create grave complications between Japan and the Soviet Government.

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The Japanese contention is that it is merely a border dispute, and that the Japan-Manchukuo troops are in their rights in maneuvering at the points indicated. Incidentally, the Japanese War Minister and Japanese authorities generally are using these incidents as an argument that the Soviets should withdraw their troops (stated to be some two hundred thousand strong) from the border, under some kind of a mutual agreement that both sides should withdraw their forces to a certain distance from the border. The Japanese have, however, made it clear that they do not wish to enter into any non-aggression pact.

This is not the first time, by any means, that the Soviets and the Japanese have exchanged strong notes, and no one should be misled into an idea that there is danger of an immediate war between them. Both the Soviets and the Japanese are past masters in the art of sending notes in which the responsibility for consequences that may arise from this or that are laid on the other party, and that is about as far as it usually goes, unless a much more aggravated situation develops than has so far been the case.

The net result of these incidents is, for one thing, that the militaristic party in Japan has its hand strengthened for asking additional appropriations. Indeed, one can even surmise that one of

the objects of the Soviets in keeping the Japanese on the jump, as it were, is to make them spend so much money on militaristic outlays that they will in the end bring such a financial burden on the populace that the latter will eventually revolt. Japan—it is never to be forgotten—is the last stronghold of intrenched "kaiserism," and the most enthusiastic supporters of the existing order are the old feudal families who control most of the country's industries. One need not by any means be a lover of the Soviet idea to arrive at the conclusion that the peace of the world would be on much more solid ground if there were a radical change in the Japanese governmental system.

Discussing the present Soviet-Japanese situation, the *Japan Chronicle* comments:—

> "The possibility of a Soviet withdrawal must be considered remote. The concentration is somewhat more than a temporary mobilisation. It has taken on a character of permanence with the building of munition factories, and aircraft shops, the laying out of airdromes and a hurried agricultural program designed to make the Maritime Province economically independent. All this would doubtless have been gradually accomplished whatever the course of political events in Asia. The Manchurian affair merely made it a matter of some urgency. There is another very practical consideration which will prevent the desired slicing of the Red Army, and that is the impossibility of sending them West. That would be resented by both Poland and Germany, not without reason. As far as that goes, the Tokyo War Office has already pointed out that recent rail and road developments have made concentration easy, a hint that the only really effective way of ending the suspicion is to demobilise altogether. Very probably Russia would be prepared to do something in this direction if a non-aggression pact was first concluded. But that is just what Japan fights shy of."

New Criminal Code Comes Into Force as of July 1

The new Criminal Code came into force in China July 1, when also 14 provinces and municipalities introduced the judicial system providing three grades of courts to replace the old system of four grades of courts.

The new Criminal Code, applied to all Chinese citizens and foreigners not enjoying extraterritorial rights in this country, embodies several features which are distinctly and radically different from the provisions of the old Criminal Code compiled by the defunct Peking Government and enforced in this country since then despite the inauguration of the National Government following the Kuomintang conquest of the nation.

While a large section of the law is similar to that of the old code in principle with or without minor revisions concerning punishments, the new Criminal Code definitely outlaws the practice of taking concubines. Married men, when convicted of committing adultery, will be punished, the code provides. Such an offense, however, is only punishable when the wives of the adultors file a complaint.

Under this code, a Chinese taking a concubine or frequenting a house of ill fame, must obtain the permission of his wife in advance, est she, in a rage of anger, notify the police and land her mate in ail for bigamy or adultery. Persons who had taken concubines prior to the enforcement of the new code, however, are immune from punishments.

The new Code also reduces the age factor in rape cases to 14 instead of 16 as provided in the old criminal code. It means that if a girl who is assaulted is below 14 years old age, the offender will be convicted under the article governing rape. If the girl is over the age of 14, the offense will fall into the category of seduction or adultery as the case may be.

The new Criminal Code draws a clearer demarcation between gambling and games. If persons operate and participate in gambling for profit, their acts will be punishable. If the game is played in homes primarily for amusement rather than for profit, the act will be allowed by the law. By enforcement of the new criminal code, Chinese playing mah-jongg, their favorite game, will be immune from punishment. Nanking, however, is to continue the ban on gambling either played in gambling dens or homes, for profit or for entertainment, until the police code is revised.

Another salient feature of the Criminal Code which came into force July 1 is that it allows the payment of fines in lieu of serving jail terms of not more than six months for certain prescribed offenses. It is generally interpreted that the legislators had decided on this arrangement to avoid the congestion of the jails and to raise funds for the maintainance of the judicial functionaries in China.

The introduction of the new judicial system providing three grades of courts has resulted in a re-arrangement in the Chinese courts in Shanghai.

Changes In Shanghai

Beginning July 1 the courts of first instance in the criminal and civil sections of the First and Second Special District Courts were abolished. The abolition makes the District Courts the courts of first instance. Decisions rendered by these courts may be appealed to the second grade of courts—the High Courts. The Chinese authorities maintain a Second Branch Kiangsu High Court in the International Settlement and the Third Branch Kiangsu High Court in French Concession. Decision given by the Nantao District Court may be appealed against in the Kiangsu High Court in Soochow.

The Highest Court in Nanking, similar to the Supreme Court, has the jurisdiction to hear all appeals against decisions rendered by the high courts. This system gives any case, except the traffic cases and violation of municipal bye-laws, three hearings when required. Under the old system, some cases involving civil claims under a certain amount and jail term of less than five years as the maximum, the final appeal rested with the High Court instead of the Highest Court.

The Second Branch Kiangsu Court and First Special District Court, in addition to enforcement of the new criminal code and the three-grade court system, July 1 also began their summer time table with all courts to conduct sessions as from 8 a.m. No sessions are to be held in the afternoon. The new time table will be in force until end of September.

Human Effort and National Calamities

(*Editorial in the "Chung Yang Jih Pao," Shanghai*)

The Chinese are the most unfortunate people in the world For the past several decades they have suffered from oppressive government, civil wars and natural calamities. Although the political situation has improved in recent years, and the anti-Communist campaign is progressing successfully, floods and droughts still prevail throughout the land. Last year there were many disastrous floods along the Yellow River—while Hunan and Hupeh suffered droughts of major proportions. With the agricultural systems bankrupt, tens of thousands of refugees have been added to the list of the needy in the country. This alone is enough to cause terror in our hearts.

A week or so ago there were reports that drought was imminent in various districts in Kiangsu and Chekiang provinces. However, during the past few days torrential rains have fallen and now the rivers in western and eastern Chekiang are rising to such an alarming degree that a major flood threatens. The Chinese certainly find it difficult to live under such circumstances. In the past our people have accepted natural calamities as a matter of course. They have left such things to fate. But why don't we hear of so many natural calamities in other countries as occur in China? It is because other countries know how to take preventive measures against such disasters. We believe that it is better to exert ourselves to overcome these difficulties than to adopt a fatalistic attitude. The opening of irrigation canals, deepening of the rivers and the planting of trees are among the methods which might be used to check these disasters. Dr. Sun Yat-sen advised us to use our own efforts to combat natural calamities. The fundamental issue lies in preventive measures taken beforehand rather than relief measures after a calamity has descended upon us.

Peiping Uprising Suppressed--Rebel Leader Executed; S.M.R. to Exploit North China With Aid of Army

HIGH LIGHTS IN THE EVENTS OF THE WEEK;

1. **Rebels Attacking Peiping With Armored Car Repulsed and Suppressed.**
2. **Chahar Affair Fully Settled With Chinese Acceptance of Japanese Demands.**
3. **General Umetsu Issues Statement on North China Settlement.**
4. **Introduction of Nippon Advisors at Chinese Request Reported.**
5. **S. M. R. to Exploit North China With Aid of Kwantung Army.**
6. **Another Reshuffling of North China Administration Ordered by Nanking.**
7. **General Chiang Tso-ping Leaves Tokyo for China July 5.**
8. **Headquarters of Szechuan Communists Bombed by Government Planes.**
9. **Captured Communist Officer Confesses Russian Directs Red Operations.**
10. **Runaway Cruisers Remain in Hongkong Pending Repairs.**
11. **Canton Reorganizing Southwestern Fleet After Naval Mutiny.**
12. **Hu Han-min and Party Arrive in Venice on First Leg of World Tour.**

Disgruntled soldiers and rebels under the leadership of Pai Chien-wu and Shih Yu-shan launched a sudden attack on the city of Peiping early in the morning of June 28 and occupied Pengtai, a railway station between Tientsin and the former capital city, after a defeat at the hands of peace preservation corps and soldiers under General Wan Fu-lin. Martial law came into force in Peiping immediately. All city gates were closed to prevent the invasion by the mutineers. Traffic between Tientsin and Peiping on the Peiping-Liaoning line was interrupted because of the presence of mutineers at Pengtai. Telegraphic and telephonic communications between the two cities also had been disrupted.

First sign of unrest occurred at 11 o'clock in the night of June 28, when the authorities proclaimed a martial law. Shortly before midnight, an armored car made a bold attempt to enter the city through the Yungting Gate. It was repulsed by the police and soldiers.

Japanese authorities are closely watching the situation. Colonel Tan Takahashi, Japanese assistant military attache in Peiping, is understood to have received a report from the Peiping Military Council informing him that the trouble was started by General Yu Hsueh-chung's forces. Japanese airplanes are reported to have circled over the "war area" to observe the movements of the conflicting forces.

According to Japanese reports, the attackers number 2,000 strong and are commanded by Pei Chien-wu, a former subordinate of Marshal Wu Pei-fu. The mutineers staged the uprising because they were dissatisfied with the Nanking order for their transfer to Shensi from Hopei. An officer of the 51st Army was under orders to leave by June 25, but he did not go, whereupon troops belonging to Gen. Wan Fu-lin, commander of the 53rd Army, arrested him and brought him to Peiping. Plain-clothes men from Tientsin appear to have got among his men and urged them to mutiny, which they did seizing an armoured train and the advancing on Peiping.

It is learned that, when the armoured train was recaptured at 11 o'clock in the morning of June 29, loyal troops found on board much war material which was never aboard before, including 55 5.5 centimetre light guns and three machine-guns. A plain-clothes man was arrested outside the municipal offices in Peiping that afternoon and was found to be carrying three revolvers. He admitted, under questioning, that 300 plain-clothes men were hiding within the city walls.

According to *Rengo*, the central figure in the uprising was Gen. Chang Chuan-pen, the self-appointed commander of the "First Hopei People's Defence Army." The Commander-in-Chief of this organization is Gen. Pai Chien-wu. The presence of several men of unknown nationality among the attackers of the Yunting Gate was said to have been reported by the Peiping authorities in their dispatches to Nanking.

Complete lack of interest in the disturbanes was professed by Major-Gen. Genji Doihara, director of the Special Service Division of the Kwangtung Army in Mukden, in an interview with *Rengo*. "It seems to me that the trouble was precipitated by a group of good-for-nothing Chinese soldiers who were out solely for profit," he said. "We are not interested in the issue. It is regrettable that a question like this should have arisen just when the Chahar incident has been amicably settled."

The situation in Peiping, which was seriously disturbed on June 28 by the abortive attempt of rebels to enter the city, is rapidly returning to normal following the arrival of troops formerly in the service of General Sung Cheh-yuan, the deposed Governor of Chahar. It is understood that the Japanese military authorities in Peiping were consulted before the Chahar troops were ordered to come. The Japanese are reported to have raised no objections, and hence no complications are likely to arise through their presence. With General Wan Fu-lin's troops in and around the city, and with General Shang Chen's cavalry in Nanyuan, there are now over 30,000 troops in the vicinity of Peiping. There has been, however, no relaxation on the part of tthe local authorities, who are carefully combing the city for plain-clothes men. Five of these have now been rounded up. On being searched each was found to be heavily armed.

The mutineers after being driven off from Fengtai June 29 arrived at Machuchiao near Tungchow that evening. The outlaws were intercepted by the Pao An Tui corps there and a clash ensued. After brief fighting the marauders fled toward Yenchiao, leaving behind three dead.

REWARD OFFERED FOR REBEL LEADER

An official announcement was issued on June 30 by the Peiping authorities, offering a reward of $20,000 for the capture of the rebel leader, Pai Chien-wu, alive, and half that amount for his dead body. Meanwhile, Wang Keh-min, the new Chairman of the Peiping Political Council, has made a gift of $20,000 to the police and military who maintained such excellent order within the city on June 28.

COMMANDER OF REBELS' ARMOURED TRAIN EXECUTED

Ninety-two rebels caught at various places along the border of the demilitarized zone have been brought to Peiping. Most of them were on board the armoured train when it attacked the city. They declared that they had no prior knowledge of the revolt and were "mere soldiers who obeyed the orders of their superiors."

Reuter learned that Capt. Tuan Chun-chih, who commanded the armoured train during its attacks on Peiping on June 28, were court-martialled on June 1 and condemned to death. The sentence was promptly confirmed by the Peiping Military Council, and Tuan was shot by a firing squad that afternoon.

Capt. Tuan, a former subordinate of Gen. Shih Yu-san, is about 40 years old. He was taken at Lichwang, near Tungchow, on the border of the demilitarized zone, where the Peace Preservation Corps have captured seventeen more plain-clothes men. The total arrests in connection with the abortive attempt to seize the city now number 109, and they are being tried by court-martial in batches.

CHAHAR AFFAIR NOW FULLY SETTLED

The "Chahar incident"—which arose from the alleged illegal arrest at Changpei, near Kalgan, of four civilian employees of the Kwantung Army on June 5 and their

detention overnight—has been completely settled, according to an official statement issued by Colonel Takahashi, the assistant Japanese military attache in Peiping June 27.

The terms of the settlement are reported to include:

1. Retirement of General Sung Cheh-yuan as Governor of Chahar and Commander of the 29th Army. General Sung's dismissal has already been announced by the Chinese Government.
2. Dismissal of the officers responsible for the Changpei incident.
3. An apology for the Changpei incident and a guarantee that similar incidents shall not occur in the future.
4. Establishment of a demilitarized zone along the Chahar-Jehol border to embrace Dolonor, Kuyuan, Tushikou, Huailai and Yenching.
5. Dissolution of the Kuomintang branches throughout Chahar.
6. Suppression of all anti-Japanese organizations in the province.
7. A guarantee of free and safe travel for all Japanese in Chahar.
8. The removal of the 132nd Division from Changpei.
9. Cessation of Chinese emigration into Eastern Chahar.
10. All terms to be carried out within two weeks.

While official confirmation cannot be obtained, it is understood that these terms are contained in a letter from General Chin Teh-chun to Major-General Doihara.

Meanwhile, it is officially stated by the Japanese military authorities that the Tushikow incident—the alleged firing by Chahar provincial troops on a "Manchukuo" border patrol—has also been settled. Only "Manchukuo" and Chahar troops, not the Kwantung Army, were involved, and no demands were made upon the Chinese concerning the affair.

Major-General Doihara, head of the Japanese Military Mission at Mukden, who arrived in Peiping a fortnight ago for the Chahar negotiations, left for Tientsin on June 30.

UMETSU ISSUES STATEMENT ON NORTH CHINA SETTLEMENT

Declaring that the Japanese Army will suppress all activities detrimental to Japan or Manchukuo in North China, Lieut.-Gen. Yoshijiro Umetsu, Commander of the Japanese forces in Tientsin, in a statement June 28 welcomed the Chinese acceptance of the terms of the settlement of the North China controversy.

In a prepared statement issued to the press the Japanese officer said:

"It is a matter for mutual congratulation that the Chinese military authorities have fortunately agreed to our just demands presented in connection with a succession of illegal acts committed in North China and Chahar Province by a portion of Chinese officials and people, and that their promises are now under way of fulfilment.

"Acknowledging the sincerity of the Chinese authorities concerned, we shall, for the time being, watch closely the execution of the agreement entered into, hoping for an improvement of the situation.

"The fundamental aim of these negotiations lay in improving conditions in North China and will, eventually, contribute to the removal of the menace to the existence of Manchukuo and to the eradication of obstacles lying in the path of Sino-Japanese amity. This we sought to achieve by asceertaining the responsibility for the infringement of the provisions of the Tangku Truce Agreement and of the promises solemnly exchanged between Chinese and Japanese military authorities. These steps, we hope, will remove the roots of unrest and increase mutual trust and promote peace," the statement continued.

"We seek neither to aggravate the state of affairs nor to interfere with the domestic affairs of China. Japanese civilian and military officials alike seek the establishment of real friendship and co-operation between Japan and China. Such aims, however, cannot be realized by mere superficial and formal phrases. The occurrence of incidents like those which recently broke out in North China show, unfortunately, that the root of the evil lies deep.

"It is, therefore, most gratifying to note that the Nanking Government have lately issued an ordinance ordering the strict prohibition of anti-foreign and anti-Japanese activities throughout China. This is indeed a step towards the removal of the source of unfortunate incidents referred to above, and it is, therefore, to be hoped that this ordinance will not end as a mere makeshiftigesture.

"The Japanese army is entrusted with the mission of co-operating in the national defense of Manchukuo, which state Japan recognizes and of which she is an ally. Consequently, Japan is profoundly concerned in the maintenance of peace and order in the area bordering on Manchukuo. The Japanese Army firmly expects and will consistently strive for the suppression of all activities detrimental to Japan and Manchukuo, in, at least, the area mentioned above," the statement concluded.

JAPAN DEMANDS WITHDRAWAL OF CHAHAR TROOPS

The *Shanghai Mainichi* on June 27 reported that in a telegram to Major-General Doihara, Director of the Special Service Department of the Japanese Kwantung Army in Mukden, the Japanese Kwantung Army ordered him to demand the withdrawal of Chinese troops in Kalgan to the south of the Great Wall in view of the clash between Chinese and Japanese troops at Tushihkow in east Chahar.

The Tangku demilitarized zone has been extended by 70 miles towards the west in the direction of Kalgan as a result of the agreement settling the "Chahar incident" declares an announcement by the headquarters of the Kwangtung Army July 2.

The authorities in Peiping are now awaiting the return of Major-General Doihara, head of the Japanese Military Mission at Mukden, who arrived in Dairen July 2 from Tientsin, before deciding on a suitable constabularly for the new zone.

According to a despatch from Dairen, Major-General Doihara, immediately on his arrival there, assured the South Manchuria Railway Company that the North China situation now warranted economic co-operation.

INTRODUCTION OF NIPPON ADVISORS AT CHINESE REQUEST REPORTED

Japanese reports in Peiping indicate that Chinese authorities in North China have requested Major-General Kenji Doihaha to recommend Japanese advisors on military, political and economic affairs for Hopei, Shansi, Shantung, Chahar and Suiyuan Provinces. The Japanese reports state that General Doihara immediately accepted the offer and decided to recommend Lieut.-Colonel Matsui, Japanese resident military officer at Kalgan, as the military advisor for Chahar Province. It is generally expected that military advisors to to the armies of General Shang Cheng and Wan Fu-lin will be chosen shortly. However, it is felt that it will take some time before selection will be made of political and economic advisors.

S.M.R. TO EXPLORT NORTH CHINA WITH AID OF KWANTUNG ARMY

Reuter reported from Tokyo on July 2 that the South Manchuria Railway, with the support of the Kwantung Army, plans to establish and capitalize a huge industrial development company in North China to develop natural resources and industries in that area, according to a special message from Changchun to the *Osaka Mainichi* July 2. The S.M.R., it is added, will concentrate primarily on effecting an improvement in railway facilities. The company believes that with the restoration of peace, the Chinese authorities in North China will seek Japanese capital and technical assistance in connection with the coal mines in Shansi, oil fields in Shensi, iron ore in Chahar, textiles in Tientsin, salt pans in the Pechili Gulf, and cotton crop and wheat crop in Hopei, Shantung and Honan.

PEIPING COUNCIL EXPOSES FORGERY OF ALLEGED "RULING"

A startling case of forgery of the official seal of the Peiping Branch of the Military Affairs Commission was revealed on June 1 by a spokesman of the Branch Commission in an interview. On June 20, a photographic copy of a document with the alleged seal of the Branch Commis-

sion was published by a number of newspapers in Japan. In this document, the Branch Commission was alleged to announce that all national salvation organizations will henceforth be placed under the direction of the Northeastern Office of the Organization Department of Centray Party Headquarters. In denying the authenticity of this document, the spokesman said that it was an obvious fabrication, for the following reasons:

Firstly, the name of the "Organization Department of Central Party Headquarters," was used only before 1931. It was abolished following the 4th National Congress of Party Delegates in the winter of 1931. The forged document is, however, dated March 25, 1935. Secondly, the "Northeastern Office" of the Organization Department of Central Party Headquarters is in fact, non-existent.

With regard to the official seal of the Branch Commission, the spokesman said that it is affixed on all documents issutd by the Branch Commission, so that forgery is quite possible.

ANOTHER RESHUFFLING OF HOPEI PROVINCIAL ADMINISTRATION

The Executive Yuan, at a special meeting held in the morning of June 28 under the chairmanship of President Wang Ching-wei, ordered a complete re-organization of the Hopei Provincial Government. With the exception of General Shang Cheng, the newly appointed chairman, all the present members and commissioners of the provincial government serving under the former chairman, General Yu Hsueh-chung, were relieved of their respective posts.

Among those affected by the order were Chang Hou-wan, commissioner of civil affairs; Lu Mo-ting, commissioner of finance; Cheng Tao-ju, commissioner of education; Hu Yuan-huai, commissioner of reconstruction; and Wei Chien, chief secretary.

In their places, La Pei-chi, Li Ching-yung, Lu Hsien, Ho Chi-hung, Chang Ying-wu, Nan Kwei-hsin, Liu Yi-nan and Liang Yi-chin were appointed new members of the provincial government with Li Pei-chi serving concurrently as commissioner of civil affairs, Li Ching-yung as commissioner of finance, Lu Hsien as commissioner of reconstruction, Ho Hung-chi as commissioner of education and Liu Ying-chang as chief secretary.

July 5 had been tentatively fixed as the date, when General Shang Cheng will formally assume his office.

NEW TIENTSIN MAYOR ASSUMES OFFICE

Cheng Keh, the new Mayor of Tientsin Municipality, formally assumed his office in the morning of July 1. General Shang Cheng, the acting Mayor of the Municipality, was personally present at the occasion to hand over his office to Mr. Cheng. Following assumption of office, Mayor Cheng announced the appointment of Sun Jun-yu as Chief Secretary and Yang Pao-ling as Director of the Bureau of Public Works of the Municipal Government.

General Ho Ying-chin, Minister of War and concurrently Chairman of the Peiping Branch Military Affairs Commission, has decided to return to Peiping in the near future to resume his duties, according to information from political sources in Nanking. In view of the critical situation in North China, both the national government and the members of the Peiping Branch Military Affairs Commission have repeatedly urged Gen. Ho to hasten his return to Peiping. Accordingly General Ho has telegraphed to the Peiping authorities, announcing that he will proceed to the North after a brief rest in Nanking.

SUNG CHEH-YUAN, FENG YU-HSIANG AND HAN FU-CHU ACTIVE IN NORTH CHINA

Despite the solution of the Hopei and Chahar incidents, the North China problem has not yet been entirely settled, according to a report in the *Shanghai Mainichi*. Li Teh-chuan, wife of Marshal Feng Yu-hsiang, went to Tsinan from Tsingtao on June 29 where she conferred with General Han Fu-chu, Chairman of the Shantung Provincial Government. On the next day, she went to Tientsin and called on General Sung Cheh-yuan, the ousted Chairman of the Chahar Provincial Government. According to the Japanese paper, Marshal Feng Yu-hsiang, General Han Fu-chu and Genenral Sung Cheh-yuan will issue a joint statement in the near future regarding their attitude toward the present condition in North China. The Japanese authorities are paying great attention to the matter.

CHIANG TSO-PIN LEAVING TOKYO FOR CHINA ON JULY 5

The Japanese Army's desire to see the complete elimination of anti-Japanese movements in China was conveyed on July 1 by Gen. Senjuro Hayashi, Japanese War Minister, to Gen. Chiang Tso-pin, Chinese ambassador to Tokyo, during their 20-minute interview July 1. Gen. Chiang is leaving for China, on a summons from the Nanking Government, on July 5, according to *Rengo*.

Gen. Chiang Tso-pin called on Admiral Keisuke Okada, the premier, on July 2 to bid farewell previous to his departure for China on furlough.

PRO-JAPANESE FACTION TO HAVE IMPORTANT MEETING IN NANKING

To report on the North China problem and to discuss ways and means of replying to the questions put forward by the pro-American and pro-European factions, Wang Ching-wei, President of the Executive Yuan, is calling a conference of the pro-Japanese officials including, General Chen Yi, Chairman of the Fukien Provincial Government, General Chang Chun, Chairman of the Hupeh Provincial Government, General Hsiung Shih-hui, Chairman of the Kiangsi Provincial Government, General Huang Shao-hsiung, Chairman of Chekiang Provincial Government, Yang Yung-tai, Secretary-General of the Military Affairs Commission, and General Ho Ying-chin, Director of the Peiping Branch Military Affairs Commission, reported the *Shanghai Mainichi* June 2. The results of this discussion will be submitted to the Central Political Council to act upon. It is reported that in the name of the National Government, a statement will be issued after the conference to make a public explanation of Nanking's actions at present.

CHINESE MILITARY OFFICERS RETURN FROM JAPAN TO HOLD IMPORTANT CONFERENCE

An important conference will be held at Nanking by Chinese military officers who have studied in Japan, according to *Shanghai Mainichi* June 27. These officers who have already organized themselves into a society known as Chin Chan Society, are under the leadership of Generals Chang Chun and Chen Yi. The paper further reported that Generals Chang Hsueh-liang and Ho Ying-chin will also attend the conference. The conference will discuss problems relating to the reorganization of troops of the Central Government and the Provincial Governments, the transfer of Yu Hsueh-chung's troops, and others. Results of the conference will be submitted to General Chiang Kai-shek for consideration.

JAPANESE AGITATION AGAINST ARREST OF YUAN CHAO-YI

The Japanese attitude regarding the arrest of Yuan Chao-yi, pro-Japanese newspaperman, has aroused great anxiety among Chinese circles. As a result, there was a drop in Chinese Government bond quotations of two dollars on June 26. A responsible spokesman of the Japanese Embassy made the following statement regarding the arrest of Yuan:

"No information has been received about the actual circumstances of the arrest of Yuan and his imprisonment. If the press reports are true, the Japanese authorities would be greatly grieved. This kind of terrorism not only hinders the normal development of Sino-Japanese relations, but it is detrimental to personal liberty and freedom. It is to be hoped that the National Government will take definite steps to stop such activities."

Nanking is continuing to carry out its "double-faced" policy, stated the *Shanghai Mainichi* June 26. Instead of Blue Shirts, Nanking has organized the so-called "Ta Go Tuan" (beat dogs society) and the 'China National Revival Society.

The 'China National Revival Society' was promoted by Tsai Yuan-pei, Chen Li-fu, Yu Yu-jen, Chang Hsueh-liang, Shao Li-tze and others for the purpose of rebuilding the Chinese nation. It aims to improve the mind as well as body of the Chinese people. Definite actions to be taken by this society include, reconstruction of North China, Improvement of the Huang Ho valley so as to prevent alien influence from moving to the south of the Yellow river.

The decision of the Control Yuan on June 21 to organize branch offices of the Yuan in Peiping and other districts indicates clearly the intention of the Control Yuan to take over the activities of the Third Gendarmes of Peiping, which was transferred to the south of the Yellow River. Japan cannot accept Nanking Government's action in pretending to comply with Japanese demands outwardly and work for the control of North China secretly. This kind of "double-faced" policy of Nanking is the very thing, which Japan wants changed.

HEADQUARTERS OF SZECHUAN REDS BOMBED BY GOVERNMENT PLANES

Spotting a group of between 200 and 300 Reds outside a block of houses at Nangnanmiao across the river from Wenchean, Northwestern Szechuan, Government bombers subjected them to an attack in the morning of June 27. In the afternoon, however, on learning that the Headquarters of the communists was situated in the buildings, the planes returned to Nangnanmiao and dropped a shower of bombs on the houses, destroying most of them. Meanwhile, the communists are building new defenses southeast of Lifang, along a line stretching from Tsaopu to Tienchengshan and Chwantachiao.

Successes against the Reds are recorded in an official statement issued at Chengtu June 28. General Teng Hsi-hou reports that Government troops encountered a force of Reds after they had crossed the river Kuentachiao from Tsaopu, southwest of Wenchwan, on June 24. At the same time, another portion crossed the upper reaches of the river, but in both cases the Government forces drove the communists back. Government troops are building blockhouses in the Wenchwan area along a line running from Shui-mokow, Sankiangkow and Newtaoshan, west of Kwanhsien.

General Yang Sen reports that, on June 26, a force of Reds, after being defeated at Paoshun, fled westward across the river and destroyed a number of bridges, which his troops are now repairing.

CAPTURED COMMUNIST OFFICER CONFESSES RUSSIAN DIRECTS RED OPERATIONS

The chief-of-staff of the 5th Red Army, who was captured recently by Government forces during an engagement north of Yengchingping, Northwestern Szechuan, revealed on June 26 that the Red operations were formerly directed by a Russian, known as Hua Fu, who was eager to "Sovietize" Szechuan. Hua Fu's plan, however, failed and the bandit leaders Chu Teh and Mao Tse-tung dismissed him at Tienchuan and set about devising a new plan for the "Sovietizing" of the northwest of the province only until General Chiang Kai-shek had departed.

According to the latest reports received at the Chengtu Headquarters, the main portion of the bandits under Hsu Esiang-chien are still forming a line from Mowhsien and Lifang, while the remainder are in the vicinity of Mowkung. Hsu is remaining at Mowhsien and is planning the occupation of Wenchow.

Government planes observed on June 26 that many villages in the vicinity of Peichuan had been burnt to cinders. Bandits carrying pamphlets dropped by government planes are surrendering daily. They declare that there are many who want to surrender but are unable to escape from the Red Army, besides which they are afraid to approach the Government Forces until they have received pamphlets.

SZECHUAN RED CHIEF REPORTED INJURED IN AERIAL RAID

According to reports reaching General Chiang Kai-shek's headquarters in Chengtu on July 2, Hsu Hsiang-chien, Red leader, received an injury from a aerial bomb on June 28 near the town of Mowhsien. However, the rebel leader recovered sufficiently to escape to the west bank of the Min river to meet with General Chu Teh, another Communist leader. General Teng Hsi-hou reported to headquarters that Reds under Chu were advancing in the vicinity of Yenchingping, Tashichi and Tengtzekou to a position North of Paoshing. He reported also that bandits under Hsu were collecting material to build bridges in an attempt to cross the Peichwanyin river.

It was reported that Government troops had occupied Chichu and Chungkang on June 30. On July 2, Government troops were successful in routing the Reds from the city of Peichwan and occupied the city. Government troops occupied Chichu and Chungkang on June 30.

News has reached the Italian Consul in Hankow that Father Giacomo Anselmo, captured 1½ years ago, is still alive and well, states the Agentia Lumen. Father Anselmo was kidnapped by bandits at Lingkiang, Kiangsi, on Christmas Eve, 1933. The Commissioner for Foreign Affairs for Hunan and Hupeh has informed the Italian Consul at Hankow that a Communist recently captured told his captors that Father Anselmo was alive and well, adding that he was being served eggs and vermicelli every day.

TWO RUNAWAY CRUISERS REMAIN IN HONGKONG PENDING REPAIRS

The four Nanking warships, the *Ning Hai, Haiyung, Haichu* and *Yungshui,* which came to Hongkong following the disaffection from the Canton Navy of the cruisers *Haichi* and *Haishen,* left Hongkong in the night of June 30. It is stated that they are bound for Woosung, Shanghai.

The only Chinese Naval vessels in Hongkong at present are the two runaway cruisers. The reason for the departure of the Nanking warships has not been disclosed.

The officers and crew of the *Chao Ho,* one of the three disaffected northern cruisers, which failed to join the mutineers and was captured by the Canton fleet due to engine trouble while attempting to escape, were entirely disbanded on June 30 by order of General Chen Chi-tang. The disbanded men totalled more than 200 and were given 2 months' pay to enable them to return to the North.

RELEASED NORTHERN ADMIRAL ON WAY TO SHANGHAI

The northern Admiral Kiang Si-yuan, who was released a few days ago, has decided to proceed shortly to Shanghai from Hongkong. The squadron to which the disaffected vessels *Haichi* and *Haishen* belonged, was arrested at the time of the mutiny, and kept a prisoner at the military headquarters at Canton.

The departure of the four Nanking cruisers from Hongkong was due, it is believed, to the refusal of the rebel ships' officers and crew to reach an agreement with them, while they were in port in Hongkong. Twenty-five Cantonese cadets who had been held aboard the cruiser *Haichi* were released July 1 and their fare paid to Canton.

With the defection of the cruisers *Haichi* and *Haisen,* the Canton authorities are reorganizing the Cantonese fleet on the basis which prevailed before the disaffected vessels surrendered in 1933, after having deserted the 4th Squadron in Tsing-tao. An admiralty is being established, the Southwest Political Council having accepted the resignation of Gen. Chen Chi-tang from his post as Commander-in-Chief of the fleet, which he has been holding in addition to his command of Kwangtung's military forces. Admiral Chang Tse-ying has been appointed acting commander of the squadron, with Admiral Li Ching-wen as vice-vommander, and Li Chu-miao as chief-of-staff.

KWANGTUNG ARMY BACK FROM KWEICHOW DUTIES

With the arrival of the last batch of troops from Kweichow, the transfer of the 2nd Kwangtung Army was completed on July 1. The Training Regiment left for Hsinkai shortly after its arrival in Canton, while the 5th Division has already reached Wuhsuan. Meanwhile, the commanders of the 5th and 6th Divisions are remaining in Canton for the purpose of conferring with the military authorities in Canton.

Strong defence forces are being stationed in the Kwangtung and Kwangsi border, according to a report in the *Shanghai Mainichi.* The 5th division which has been recalled from Kweichow is stationed in the West River district and the 6th division is stationed at northern Kwangtung. Defence measures have also been taken at other military strategic points.

WANG CHUNG-HUI MEETS HU HAN-MIN IN VENICE

Hu Han-min, the veteran Cantonese leader, who left a month ago on a tour of Europe, has arrived at Venice, according to a telegram received by the Southwest Political Council July 2. Mr. Hu was met on his arrival by Dr. Wang Chung-hui, the Chinese Judge at The Hague Court of International Justice, General Liu Wen-tao, ambassador to Italy, and representatives of the Kuomintang branches in Paris and other important European centers.

Japanese Navy to Call Conference of Naval Attaches in London

The Japanese Navy has decided to call a conference of all the Japanese naval attaches stationed in European countries in London late in July or early in August.

Ambassador Matsudaira to Exchange Views with Secretaries Hull and Swanson

Mr. Matsudaira, Japanese Ambassador to London, was scheduled to leave London early in July for Japan via the United States and reach Yokohama on August 4, bringing to Japan a statement of the results of the recent conference held in Paris by the Japanese Ambassadors and Ministers in Europan countries. The *Jiji* says that when he reaches the United States, Ambassador Matsudaira will meet Secretary of State Hull and Navy Secretary Swanson and exchange views and information on the coming naval disarmament conference.

Japan Still Opposed to Russian and German Participation in Naval Talks

Continued Japanese opposition to the participation of Germany and the Soviet Union in a plenary naval disarmament conference was voiced by a spokesman for the Gaimusho in Tokyo June 28 commenting on recent developments in the European reactions to the conclusion of the Anglo-German Naval pact. "Japan's attitude towards naval disarmament is fixed and cannot be changed," he said. "As long as the conference is based on the provisions of existing treaties, we are opposed to the participation of Germany and the U.S.S.R."

U.S. Navy Enlistments Resumed—Personnel Being Increased to 93,000

Secretary of Navy Swanson ordered resumption of enlistments for the U. S. Navy at the rate of 1,500 a month, as from July 1. This is being done to increase the personnel from 82,500 to 93,000, as authorized by Congress.

"China Only Nation Really Qualified to Be League Member"—Wedgwood Benn

The relation of Western Powers with China and Japan was discussed at the meeting of the National Peace Congress, in London, June 29. Wedgwood Benn, former secretary of state for India, said that Russia and the United States were intensely preoccupied with home affairs, but it would be a mistake to suppose that Russia would take it lying down if things happened in the Far East. "The most attractive thing about China," he declared, "is her culture; China is the only country which is a hundred per cent qualified to be a member of the League of Nations."

Continuing Mr. Benn said: — "The world is full of renaissance of the most objectionable kind, but the cardinal points of Chinese renaissance are reason, right conduct, just discrimination and integrity. I should like Herr Hitler's comments on these as the motivization of renaissance. Japan says that a united and prosperous China is her main interest. It seems inconceivable that a united and prosperous China would tolerate the treatment which she is at present receiving from Japan."

Strangulation By Machine Ordered by Ministry of Justice

The Ministry of Justice, in a circular order to the various provincial high courts June 29, instructed that death sentences provided in Article 466 of the new criminal procedure shall be executed by strangulation machines instead of stranglers. The order explains that the reason for the adoption of strangulation machines in preference to stranglers is to simplify the process of execution and to minimize the sufferings of the convicts. The order also instructs that the prisoners sentenced to death be first chloroformed, if possible, before execution. However, prior to the installation of the strangulation machines, death sentence shall continue to be executed by stranglers.

Irrigation Funds Are Voted for Yellow River System

The Hydraulic Engineering Bureau of the National Economic Council has agreed to appropriate $2,000,000, to promote the irrigation system along the Yellow Yellow River at Putai and Aishan, in northern Shantung. The Provincial Reconstruction Department is planning to dredge the eastern tributary of the Grand Canal in the province at a cost of another $2,000,000.

How China Reacts When Forced to Sign Under Duress

The following are extracts from an article in "Asia" Magazine (July issue) by Nathaniel Peffer, entitled "Unless China Submits":—

This would not be the first time China has had to sign agreements under duress, agreements working to its own serious disadvantage. It has been doing so for a hundred years—always with mental reservations. And it has worked out a philosophy; with a gun at your head sign first and then think your way out. Agree and then sabotage the agreement. Promise and then abide by the letter while violating in the spirit. Mainly, gain time. Evade, then agree, then evade compliance, and hope in the meantime that something will arise to alter or wipe out the whole relationship. Pragmatically there is much to be said for the philosophy. It has kept China alive as a nation since foreign encroachment began a hundred years ago. Something has invariably arisen in time.

The Chinese feel a certain confidence in putting this philosophy into practice with Japan, perhaps too much confidence. Just as the Japanese have a patronizing attitude toward Chinese on the score of their being weak and inefficient, so the Chinese have a patronizing attitude toward Japanese on the score of their being slow-witted and less intelligent. Both attitudes have a certain foundation. The Chinese know they cannot now resist the Japanese physically, but they feel certain of being able to outwit them, given time. They may overestimate the power of subtlety, finesse and acumen in an age of bombing planes, continental railway systems, concentrated credit control and interlinking of finance and industry. Whether warranted or not, that is the confidence that sustains them.

In another respect the Chinese are constrained by their own psychology. It is not in Chinese nature to toss the cap over the dam. "He who does not fight when he has to run away but waits to fight another day when he won't have to run" might have been a Chinese adage. Incidentally that is also the classical military strategy of the West: hit the enemy when and where he is weakest. Compromise is the essence of the Chinese way. Their cumulative experience in the universe has taught them the universality of compromise. The first principle is survival; therefore never the extreme that threatens extinction, therefore never the combat to the death unless fate has decreed death anyway.

British Labor Leader Sees Parallel Between Abyssinia and China

The case of China and Japan was cited as a parallel in the House of Commons July 1 by George Lansbury, the aged leader of the Labor Opposition, after Anthony Eden, minister without portfolio, had described Britain's efforts to secure a settlement of the dispute between Italy and Abyssinia. Mr. Lansbury said the House was in no mind for the long, long policy of drift which had ended in the partial conquest of China by Japan, in defiance of Europe and the pacts to which Japan was a signatory. He added that the House was anxious to safeguard itself against another accomplished fact, as in the case of China and Japan.

In reply to A. C. Moreing, Foreign Secretary Hoare said that he had recently received a report that suggestions had been made for the stationing of a Japanese military mission in Inner Mongolia and for the establishment of a wireless station there. On the information at his disposal, he did not consider any action by the British Government called for.

A. E. L. Chorlton asked whether, in view of the interests of British bondholders in Chinese railways, the Japanese Government was required to pay for the transport of Japanese troops on these lines. Sir Samuel Hoare replied that he had no particular information on the subject, but payment was usually made for transport of foreign troops on Chinese railways, and he saw no reason to suppose that, in this respect, the Japanese Government was adopting different procedure from that of the other Powers with troops stationed in China.

Shanghai Match Companies Form Trust

With the conviction that cooperation and co-ordination will enable them to boost public demand and stabilize market prices, eight Chinese match factories in Shanghai have organized a joint sales office, which was inaugurated July 2 and will start functioning on July 11 with offices at 33 Szechuen Road. As explained in their joint notice announcing the opening of the Joint Sales Office, the eight match factories state that in recent years there has been a huge over-production of matches, resulting in the fall of market prices. The aim of establishing this Joint Sales Office, the announcement further declares, is to regulate by mutual agreement the annual production as a measure of balancing supply and demand and thus stabilizing prices.

Japanese Military Expenditure Has Grown by One Hundred and Thirty Percent in Five Years

OFFICIALS of the Finance Ministry are engaged in the annual budgetary combat with the War Office. It is reported that the Army intends to ask for an appropriation of more than Yen 614,000,000 in the 1936-37 fiscal year. The amount allotted to the Army in the budget as prepared by the Finance Department this year is Yen 491,280,000. Of the total, Yen 140,000,000 will be asked by the War Ministry for next year's expenditures in Manchukuo, on the ground that the situation in the new Empire calls for continued expenses. In addition, the Army will ask for Yen 254,000,000 for ordinary expenditures, Yen 100,000,- for the armament replenishment program, a similar amount for the strengthening of the air force and Yen 20,000,000 for improvement of war materials. Political circles in Tokyo express the opinion that the War Office will insist that its estimates be accepted without changes, because of the alleged gravity of the international situation.

The Finance Ministry also has on its hands the problem of dealing with the Navy Office which, according to reliable reports, will demand in the neighborhood of Yen 700,000,000, as compared with Yen 530,000,000 in the budget for the current year. Mr. Takahashi, the 81-year old Finance Minister, is known to be vigorously opposed to further increases in military expenses, which have grown from 27 per cent of the total budget in 1930-31, prior to the Manchurian Incident, to 46.6 per cent in the current year. The topheaviness of military expenses is shown by the fact that while the entire budgetary outlay has increased since 1930-31 by 37 per cent, the portion allotted for national defense has grown by 130 per cent.

Japan Accepts $9,000,000 from Manchukuo

Decision to accept the sum of $9,000,000 offered by Manchukuo as a share in the joint defense costs incurred by Japan and the new State, was reached by Ministry of Finance officials in Tokyo, June 28. Japan accepted a similar amount for the same purpose last year.

"God Sent Troops" to Be Tried for Rebellion

Marking the first occasion in the history of constitutional Japan, charges of armed rebellion will be brought against the seven ringleaders and 56 members of the "God Sent Troops", a reactionary society, officials of the Supreme Court Procurators' office decided last week. Five financial backers of the conspiracy, which aimed at the assassination of Cabinet members and prominent politicians and financiers will be tried on charges of attempted murder, intended incendiarism and violation of the explosives law. The Procurators' decision means that the leaders of the movement may be sentenced to death, while their followers may receive sentences from three years to life imprisonment.

The 63 defendants were arrested on the morning of July 11, 1933, at the Keiji Jinguko Kaikan, a lodging house for provincial pilgrims to the Meiji Shrine, where they assembled to pray for the success of their venture, scheduled for that day.

Of the nine alleged ringleaders, two, Lieut.-Commander Saburo Yamaguchi and Hikoichi Maito, died in jail. The other seven men who will be tried as the leaders of the conspiracy are Hajime Iwata, Torao Maeda, Zenichi Suzuki, Lieut.-Colonel Tetsunosuke Yasda, Attorney Tatsuo Amano, Kyuho Makajima and Shin Iwamura. The conspirators, according to the prosecution, intended to attack the Premier's official residence and the Metropolitan Police Board, and to assassinate all the members of the Cabinet, in addition to killing a number of other prominent men.

Teikoku Scandal Hearing Excites Former President of Rayon Company

Matayuki Takagi shook his fist in the faces of procurators and broke into tears during the Teikoku scandal hearing in Tokyo District Court June 27 as he told of the efforts made by officials of the Bank of Taiwan since 1927 to rehabilitate the institution. "In spite of our efforts, we are here today exposed to disgrace" he exclaimed, weeping in excitement. Cooling down, the former president of the Teikoku Rayon Company and former director of the Bank of Taiwan apologized and continued his account of the financial relations between the Bank of Taiwan, the Bank of Japan and the Suzuki Shoten and its subsidiaries. Takagi was one of 16 former Government and business leaders on trial accused of bribery and breach of trust in connection with transactions in the stock of the Teikoku Rayon Company. The witness related how the Taiwan Bank obtained a controlling interest in the rayon firm.

Toyo Cotton Spinning President Appointed to Nakaijima's Post

Following the resignation of Baron Nakajima, former Minister of Commerce and Industry, and one of the defendants in the "Kuroda Scandal" case now being tried in Tokyo, from his post as advisor to the Temporary Bureau of Industrial Rationalization, Mr. Fusajiro Abe has been appointed to succeed him. Mr. Abe is a member of the House of Peers, President of the Toyo Cotton Spinning Company, and the chairman of the Exeeutive Committee of the Japan Cotton Spinners Federation.

Deputy Mayor of Tokyo Goes to Jail, Diet Members Acquitted

In connection with the Tokyo city scandal, the Court of Appeal passed sentence of six months' imprisonment on Mr. Shiragami, a former Deputy Mayor, six months with three years' sray of execution on Mr. Suzuki, a former Diet members and Director of the Tokyo Gas Company, ten months with 14 months stay on Mr. Okamida, a former Diet member and former chairmen of the Tokyo City Assembly, and a fine of Yen 3000 upon Mr. Totaki, the former third Deputy Mayor. Nine others received sentences of from two to ten months, and six others including three Diet members, Messrs. Takahashi, Kunieda and Shiodzuki, were acquitted.

Foreign Oil Companies in Japan Reduce Staff

The *Tokyo Asahi* says that the two foreign oil traders, the British-controlled Rising Sun Petroleum Company and the Standard-Vacum Oil Company, are going to reduce their offices in Japan to meet the changed situation. Since the enactment of the Oil Industry Law, the two firms have been protesting, but so far without any tangible results. They have, therefore, decided to carry out a rationalisation of their offices, replacing staff members and reducing running expenses.

Government Subsidizes New Shipping Line to Compete with Netherlands Line

The new Japanese shipping firm which has been organized to compete with the Java-China-Japan Lijn under Government auspices, will be capitalized at Yen 10,000,000 and will operate fourteen ships with an aggregate of 74,000 tons.

Besides furninshing these ships, the subscribing companies will each provide the new firm with Yen 1,000,000 in cash, representing one-fourth of the total face value of shares to be issued by the projected concern, as working funds.

Doihara Proceeds to Hsinking from Tientsin

Major-Gen. Kenji Doihara, Director of the Special Service Division of the Kwantung Army in Mukden, who has represented the Japanese Army in negotiations with the Chinese authorities on the settlement of North China controversies, proceeded from Tientsin to Hsinking July 1.

Educators from 13 Countries to Meet in Tokyo August 1

Educators from 13 countries bordering on the Pacific will meet in Tokyo on August 1 for a seven-day conference to discuss new trends in teaching methods. Delegates from the United States, Canada, China, Mexico, Siam, French Indo-China, the Philippines, India, Manchukuo, Australia, New Zealand and the Netherlands East Indies are expected to attend the sessions.

Air Defence Maneuvers to Be Held in Kyushu

Southern Kyushu will have its first taste of night warfare under modern conditions when air defense maneuvers will be held over a wide area there on July 23 and 24. For the first time the tests will be taken to sea and the lights of ships navigating within 600 meters of the coast will have to be shielded so as to prevent detection, under regulations which have been issued by the Thirty-Sixth Infantry Brigade Headquarters. The rules will apply to Kagoshima and Miyazaki prefectures. The drills, it is understood, are being held in preparation of the grand army maneuvers which are scheduled to be held in Kyushu this fall.

Japan Will Not Send Art Objects to Boston

The Art Research Institute, headed by Dr. Seiichi Taki, has tentatively decided to decline the request for Japanese art treasures to be shown at the projected exhibition of Oriental Crafts in Boston in September, 1936. The decision follows close on the heels of the recent action of the Institute in refusing to send exhibits to the forthcoming showing of Chinese art in London.

Geishas Start War on Theater Owner

Tokyo's old time pleasure world known as "karyukai," which includes Japanese style restaurants, waiting houses and geisha associations, has risen in protest against Ichizo Kobayashi, president of the Tokyo Electric Company and theater magnate, for allegedly insulting remarks made in a magazine article that the geisha and other related business are "low and common and are barriers to theatrical development." In retaliation, the Tokyo Restaurant Association, the Tokyo Waiting House Association and the Tokyo branch of the Japan Federation of Geisha Associations determinedly resolved on June 18 to boycott any theater or performance operated by Mr. Kobayashi.

Empress Shows Indications of Another Auspicious Event

The *Tokyo Asahi* June 25 stated that the physicians to the Empress have noted that the Empress recently developed indications of a happy and auspicious event and requested her to take good care of her health.

British Lumber Industry Hit by Japanese Retaliatory Surtax

The principal lumber camps in British Columbia have suspended operations following the announcement that Japan would impose a 50 percent retaliatory surtax on all Canadian lumber and pulp imports early in July.

92 Reported Missing in Inland Sea Ship Collision

Ninety-two persons are reported missing, following the ramming of the O.S.K. s.s. *Midori Maru*, by the s.s. *Senzan Maru* in a fog at 1 o'clock on the morning of July 3 in the Inland Sea. Twelve bodies were recovered and 158 passengers and seamen rescued.

Heavy Rain Storm in South-Western Japan Brings Death and Destruction

A three-days' rain ending June 30 caused huge damage in southwestern Japan, leaving in its wake 227 dead, thousands of injured persons and 131,331 flooded buildings. Material losses are estimated between Yen 20,000,000 and Yen 35,000,000. According to reports tabulated by the Home Ministry, 400 houses were either washed away or totally destroyed, while 227 bridges were swept away. Affected were the six prefectures of Kyoto, Osaka, Hyogo, Gifu, Shiga and Fukuoka. The heaviest toll in lives was taken in Fukuoka Prefecture in Kyushu where 27 dead were recovered.

Railway traffic was disrupted throughout Kyushu, with bridges and railway tracks washed away by the floods. More than 353,816 acres of farmland were submerged throughout Japan. The worst damage was inflicted on Kyushu, where 217,992 acres were flooded. Hundred of cases of epidemic diseases are reported from the flooded districts.

Five spinning plants in the Osaka-Kyoto-Kobe area were forced to suspend operations because of the flood.

More than 200 houses were submerged to the eaves in the Sojima district. The Kanegafuchi Spinning Company's mill at Kurume and the Japan Sock Company plant suspended operations as water invaded their premises.

At Yamakawa, more than 100 persons were marooned in a river flat, with the water rising rapidly. In Miike and Mitsuma Counties, also fringing the Chikugo River, more than 30,000 persons are reported to be homeless with more than 10,000 houses flooded.

More than 10,000 policemen, firemen and soldiers were mobilized to aid in the evacuation of thousands of persons living in the low-lying parts of Kurume, as the Chikugo River went on a rampage. Swollen by three days of unceasing rain, the river turned into a raging torrent and tore from its foundations the Kamiyoshi bridge, linking Yuge and Yamakawa, two suburbs.

The Home Office voted Yen 15,000,000 out of the Second Reserve Fund for reconstruction purposes.

A drastic decrease in the land and business taxes in the areas devastated by the storm of last week-end are being considered by officials of the Finance Ministry. Meanwhile, an urgent appeal was received for Government-owned rice from Kurume, Kyushu, as the Tokyo authorities found themselves faced with the task of feeding 100,000 people with a supply of only 2,000 sacks of rice.

New Japanese National News Agency to Amalgamate "Rengo" and "Nippon Dempo"

Representatives of leading newspapers and the Japan Broadcasting Association July 2 formally filed an application with the Ministries of Communication and Foreign Affairs for a charter to organize a new national news agency. The new organization, according to *Rengo*, will be operated as a public service corporation along the lines of a press association.

Official permission of the two Ministries is expected to be granted next week. Nineteen newspapers, including all leading metopolitan dailies, signed the application. The Government, it is stated, has promised to extend all facilities within its power to assist in the transmission of news. The sponsors claim that both the *Shimbun Rengo* and the *Nippon Dempo*, two foremost Japanese news services, have agreed to be absorbed into the new organization.

THE GIST OF JAPANESE PRESS OPINION

It is regrettable that the procurators' right of prosecution is often improperly utilized by politicians for their selfish political ends, especially when the Diet is in its session as in the case of the Tokonami Affair. The authorities must be advised to readjust the existing rules governing procurators' rights.—*Tokyo Chugai.*

The Government is making a great fuss over purification of elections. The best way to get the desired results is perhaps to enlist the aid of reservists. Their direct participation in any kind of political movement is by no means desirable, but they ought to be able to help election purification without participating in politics.—*Tokyo Kokumin.*

One striking phenomenon accompanying elections in late years is the growing number of those who do not vote. Without correcting this unsatisfactory tendency, the present Home Office movement for purification of elections must be regarded as rather meaningless. The situation needs citizen's political education.—*Tokyo Yomiuri.*

In America funds contributed to private colleges will be exempted from income taxes. This is an example worth studying in Japan, where income taxes are imposed even on such funds. Private colleges in this country are in particular need of economic aid in many cases, and the exemption from such taxes will prove one good help to private colleges.—*Tokyo Jiji.*

No less than 1,000 gangsters have been arrested by the Osaka police authorities within a few days. This is certainly an accomplishment worthy of appreciation by the citizens. Similar police activities were carried out in Tokyo and it is to be hoped that they will extended all over country.—*Osaka Mainichi.*

There is no denying the fact that the world Powers are now inclined towards armament expansion. Japan is no exception to the rule. Still, it is a question whether such a tendency is what the public opinion of the world is really supporting. The safest course must be found in the harmonization of the State finances, defence and diplomacy.—*Tokyo Miyako.*

Under existing national and international conditions, an expansion of the defence budget for the coming fiscal year will be found inevitable. Such expansion may mean reduction of unemployment, but necessitates pressure of industry. It will thus be necessary to regulate the budget as best the authorities can.—*Tokyo Nichi Nichi.*

It is highly doubtful whether the French Government can continue to stand against the Anglo-German naval pact, but Japan will be opposed to the ratio principle underlying the agreement. If America would stop the world's armament race, she ought, with Great Britain, to be prepared to make the biggest sacrifice.—*Tokyo Miyako.*

To appoint a joint frontier committee and to create a demilitarized zone on the borders is a most timely proposal now made by Foreign Minister Hirota to the Soviet Ambassador here. If Moscow is sincere in its anxiety for peace, it ought to agree to the above proposal, a probable forerunner of a non-aggression pact.—*Tokyo Miyako.*

It is really a matter for congratulation for Japan that her traditional culture has now more chance than before for being introduced abroad because of the activities of the Overseas Cultural Intercourse Association of Japan. In the absence of such a suitable organ, the losses Japan has hitherto suffered in the way of making herself properly understood by foreign people have been great.—*Tokyo Hochi.*

The North China military upheaval is an outcome of internal political struggles. While Japan does not intend to interfere in China's domestic issues she must be prepared against the possible development of the situation.—*Tokyo Kokumin.*

Leading Brass Exporters in China Sued by German Bank

Judgment for $16,453, plus interest at 8 per cent, and also a decree for sale of property by the U. S. Marshal, is asked in a petition filed by the Deutsch Asiatische Bank against I. Shainin and Company, Inc., well known Shanghai firm with head office at 177 Chaoufoong Road and main store at 444 Szechuen Road, as well as branches on Avenue Joffre and Bubbling Well Road. The claim is on overdrafts, with interest. The Shainin firm conducts a string of provision stores in Shanghai and is the largest exporter from China to America of brass ware.

How the Continental European Censors Wield Their Blue Pencils

This journal has recently commented on the vagaries of Chinese censors. For fear that the impression may be gained that censorship as imposed in China is anything out of the ordinary, we reprint the following article (in part) by Walter Duranty, New York "Times" correspondent in Moscow, on censorship as applied on the Continent of Europe.

THE long period of peace in Europe which followed the Franco-German War of 1870-1871 succeeded in virtually abolishing censorship, at least so far as foreign correspondents in European countries were concerned. Even imperial Russia was induced by the efforts of the late Melville Stone of *The Associated Press* to remove in the early years of the century the restrictions which it had formerly imposed upon press cables sent abroad, and it might fairly be said that by 1914 an American correspondent in any of the chief European capitals could report news and express opinions with almost the same freedom as at home.

The war brought a sweeping change; military censorships were immediately established by all the powers engaged, with strict control of telegraph and telephone. The reason initially given was the wish to prevent the transmission abroad of information that might be of value to the enemy. The French were particularly insistent on this point owing to a widespread belief that during the early critical stage of the War of 1870 the German High Command had learned of an important French troop movement from an indiscreet paragraph in the *Temps*, which had been cabled to Holland and thence to German headquarters, and were thus able to make their dispositions for the great victory of Sedan.

This story has been repeatedly denied by the *Temps* and I was assured by a high official of the Duexieme Bureau at French headquarters that there was not a word of truth in it. Its effects, however, persisted, and I remember at the very beginning of the war (indeed my first experience of censorship) that a long list issued by the American Embassy in Paris of American travelers in Europe with their wives and families, who had managed to reach the French capital despite the dislocation of traffic due to mobilization of the warring countries, was not merely stopped by the French censor but roused his keen suspicion.

The censor could not understand that any newspaper would spend money on cabling a list of several hundred names and did not disguise his belief that it was really a code message. My explanation that there was hardly a town in America where one or another name would not be a matter of interest completely failed to satisfy him. He tore the dispatch to pieces before my eyes with a curt warning not to attempt anything of the kind in the future.

It was not long, however, before the theory of preventing military information from reaching the enemy gave way to the general purpose of withholding or delaying any information which the authorities did not wish to have published abroad, even when its value to the enemy was *nil* or so indirect as to be hardly worth consideration. During the middle period of the war the chief functions of censorship seemed to be to cover up errors and prevent anything that savored of criticism.

Toward the end of the war a new principle was introduced. It was tardily realized that foreign press dispatches had not merely a negative but a positive importance—that is to say, of "propaganda" to influence public opinion abroad. This, I may say, is a principle ever-present in the minds of European censors today.

Strict Censorship in Soviet Capital

For some ten years after the war the censorship was little more than nominal in the larger cities of Europe, at least so far as foreign correspondents were concerned. They were given to understand that they would be held responsible for anything they might write, but there was little or no delay and interference with the actual transmission of their news. Soviet Russia, was, of course, a striking exception. Foreign correspondents in Moscow were informed that none of their dispatches could be telegraphed unless they had previously been countersigned by a censor. This practice has been maintained until today.

The Soviet censorship originally professed to have no purpose save to prevent the publication of untrue statements about the U.S.S.R., but this was speedily extended to include "malicious" statements and finally what the authorities termed "persistently unfair" statements, meaning any marked tendency to dwell upon the less favorable factors of Soviet life. The present period of tension throughout Europe has led to the practical application of the same principles in almost all European countries except Britain, Holland, Switzerland and Scandinavia, with the difference that most of the censorships are disguised and covert in operation.

Of the greater European countries the most definite censorships are established in Germany and Italy (for the moment I except Soviet Russia). While both these countries still officially maintain a pretext that a censorship on foreign telegrams does not exist, in point of fact all press cables are sent before transmission to departments of the German and Italian Foreign Offices, where they are carefully scrutinized.

The general procedure is much the same in both countries. Unwelcome matter is cut out of the cables, and if this seems difficult or undesirable, the cables are simply "delayed" until they have lost their news value, or, in some cases, are quietly but firmly allowed to "sink without trace." In both countries, however, it is possible to evade the censorship by telephoning, a practice followed by all American correspondents in the case of news meassges which they think may incur censorial interference. The question of the telephone warrants a paragraph to itself.

In Germany, for instance, the censorship is "justified" by an international convention signed, I think, in 1875 or 1876, which refers in vague terms to the restrictions that a State may place upon the transmission for publication abroad of news from within its boundaries which it considers injurious to its interests. No such convention, however, has ever been enforced in peacetime with regard to international telephone messages, and the development of modern business, particularly concerning finance and transactions on the stock markets, has made it extremely difficult for any State to limit the freedom of speech via telephone save in case of war or really acute crises.

The result has been that the cable censorship becomes almost farcical, even in Soviet Russia, because a foreign correspondent can transmit by telephone news items which the censor might stop if cabled. Against this the authorities at present can only react by warnings or reprimands, but every correspondent in any of the three countries I have mentioned, and for that matter almost everywhere on the European Continent with the exception of Holland, Switzerland and Scandinavia, knows that he will be "held responsible" for any dispatches which give umbrage to the country to which he is accredited.

The Italians have gone even further with a recent law forbidding the transmission of any news of a military character, whether true or false (this phrase is expressly inserted), until it has received the confirmation of official publication. This, of course, applies to telephone messages no less than to cables, and quite recently the Rome correspondents of two of the largest American news agencies were "severely warned and reprimanded" for sending "premature" news about the transport of Italian troops and war supplies to Africa.

In Russia, too, the transmission of unauthorized military information is a penal offense, although, to the best of my knowledge, there have been no recent instances of anything of the kind. I remember, however, that some years ago an American correspondent horrified the Soviet censor by writing a dispatch which gave detailed information about the armaments, gun calibre, crews and fighting power of the principal units in the Red Navy.

"My God, citizen," cried the censor, alarmed into an un-Bolshevist appeal to Deity, "don't you know that all information about the Red Army and Navy is strictly prohibited? And what is more," he added sternly, "I now request you immediately to give me the name of your informant in this matter or take the consequences, which I assure you will not be light."

One Censor Who Got the Source of Information

"Why, certainly," said the correspondent blandly. "Here is the source of my information," and he produced a book published in Berlin dealing with the navies of the world, in which the Soviet section was headed, "according to figures and details supplied by the Soviet naval attache in Berlin."

It is worthy of note that nowhere in Europe, so far as I am aware, is there any admitted censorship of mail copy, although it is more or less an open secret that in certain countries both outgoing and incoming mail is subject to investigation. Even the Bolsheviki declare that they do not censor mail copy. The reason presumably is the time element and one may roughly put into the category of mail copy messages transmitted by travelers to be cabled outside the country in which they are written. In such cases, however, the authorities reserve the right to "deal with" any such publication of undesirable information in whatever manner they think fit.

The practice of censorship in Turkey, Poland, Spain and the Balkan States, together with Austria and Hungary, is much the same as in Germany or Italy, but varies in the vigor of its application in accordance with current political conditions at home and abroad. That is to say, the tendency is everywhere toward a more careful scrutiny of foreign news dispatches as European tension grows and to their "delay" or suppression when they contain statements which the local authorities would rather not see published. Everywhere, too, censors are giving greater attention to news of actual or potential military character, although the censorships themselves are still nominally civil.

The Baltic States (including Finland), with France and Czechoslovakia, are in a class by themselves as far as censorship is concerned. While they have no group of censors employed as a regular permanent body, there is, nevertheless, a fairly careful check upon foreign news messages.

In France, for instance, cable and radio companies are required to seek instructions from the proper authorities before they transmit certain types of news. I cannot say how far this is a matter of "official order," but I know of a recent case in which a news message dealing with the French fortification system on the northeast frontier was not sent. Inquiry revealed that the transmitting corporation had "felt it desirable" to submit the message in question to "certain authorities," who in turn decided that the message should be withheld.

Many a time in Moscow I have heard censors accused of partiality for allowing a "special" to send a story that was expunged from agency messages, when the simple truth was that the agencies had stated the fact starkly, whereas the "special" had conveyed his information by application and suggestion instead of direct assertion. Another useful thing to remember in dealing with censorship, especially those which are apt to prohibit so-called malicious or injurious information, is always to balance any statement of an unfavorable character by another that is favorable. Suppose, for instance, one wishes to say that the Soviet railroad system is the worst in the world. Put like that, by itself, this remark would doubtless cause the censor to reach for his blue pencil. So one writes instead, "Steel and pig iron production this week has broken all records, but railroads continue to lag far behind the program set for them, which indeed is lower than that of any other great power." Thus expressed, the message has every chance of getting by.

Futility of Censorship

I am inclined to question whether censorship of foreign news dispatches—for of course the control of home news and newspapers is quite another matter—really serves the purpose for which it is designed. Facts are stubborn things, as Lenin said, and an ostrich does not hide his tail-feathers by sticking his head in the sand.

Delay in the spreading of unwelcome news may sometimes, of course, be useful, at least it may enable a government or other authority to get out its own verdict of what has happened and thus lessen or soften the effect upon the public opinion of the countries to which news is being sent. Moreover, one can conceive cases where the transmission of military or other information of high moment might have grave or even disastrous consequences; but correspondents do not often have access to material of this nature, and when they do they are generally shrewd enough not to handle it through the usual channels, that is, the censorship, which would not only be sure to suppress it but might initiate awkward inquiries as to where the information had been gathered.

Such rare occasions present a real *cas de conscience* to the reporter concerned, because he cannot fail to know that in military matters he comes perilously close to the limits of laws against espionage, and that even in civil affairs he may be subject to expulsion from the country where he is living, or even more serious penalties.

Japanese Writer States Kwantung Army's Objectives in Its China Policy

Yuhei Nashigi, member of the staff of the *Kaibo Jidai* (an influential Japanese journal) in analyzing the objectives of the Kwantung army's China policy, in the July issue, said: "The present North China situation is not an isolated development. However hard the Nanking Government may plead with the Japanese Army, there is no room for a compromise until all anti-Japanese military factions and anti-Japanese organizations in Hopei are withdrawn once and for all. Withdrawal from North China of the influence of Nanking would mean a considerable decline in General Chiang's prestige and will aggravate China's international position while giving potential incentive to the rise of anti-Chiang leaders everywhere in that country. From these considerations, Chiang will have to accept the Japanese claims unconditionally. If he has a mind to wage war with Japan by turning down such Japanese claims, the result would be a fast decline of his regime. In case Chiang's military influence is withdrawn from Hopei, it is considered likely that North China will be in a state of virtual independence from China proper, considering that the San Min doctrine of the Kuomintang has little force in this region and that the control of economic affairs there is in the hands of pro-Japanese leaders including Chou Tso-min, who is a staunch advocate of Sino-Japanese collaboration. If North China is turned into a region virtually independent from China, it will cause a great stir among the Canton leaders. Then the Chiang regime would lose much, if not the whole of its influence, plunging the entire country again into a state of utter chaos and turmoil. What magic will Chiang display to save the Nanking Government from collapse in that emergency? It appears that the independence of North China would purge the region of Nanking's 'compradore politics' and place it far along the way from disorder."

Japanese Vainly Suggest to Soviets That They Demilitarize Border

Mr. Hirota, Foreign Minister, and Mr. Yurenev, Soviet Ambassador to Japan, held a lengthy meeting in Tokyo June 27. Mr. Hirota urged Moscow to make a voluntary reduction of its border force of more than 200,000 men to one-third or a half of its present strength. Such a reduction, Mr. Hirota told the Soviet envoy, would pave the way to the normalization of relations among the three nations concerned. He also pointed out to Yurenev that the concentration of Soviet troops in the border regions was "unnatural" in view of the present friendly relations.

The establishment of an arbitration commission, Mr. Hirota told the Soviet Ambassador, would not only result in a speedy settlement of all future disputes, but would also prove instrumental in establishing lasting peace in the Far East.

Japanese Gunboats in Soviet Waters

According to reports from Blagoveschensk, two Japan-Manchurian gunboats, the *Sunteu* and the *Yaumin* on June 26, approached the Poyarkovo channel of the Amur River, near the Payarkoyo village. This channel belongs to the Soviet internal waterways. At the month of channel, the ships were met by cutters of the Soviet frontier guards, which signalled by semaphore that entry into the channel is prohibited. In spite of signals, the gunboats entered the channel without replying and, while passing by the Soviet cutters, the crews of these gunboats was seen standing by machine-guns, pointed at the Soviet cutters, which were photographed. *Tass* says that as the Soviet frontier cutters, had no instructions from high officers and being anxious to avoid any armed conflict with the Japanese gunboats, they refrained from opening fire upon the invaders.

Japanese Soldiers Again Violate Soviet Frontier

Tass reports from Khabarovsk that on June 23, at 6 p.m. 40 Japanese soldiers and two officers crossed the Soviet frontier at a point four kilometers south of the frontier post No. 24, where the Grodekovo frontier guards have been stationed. The Japanese detachment went as 400 meters into the Soviet territory and ascended the Bezymianny hill. The Japanese trespassers were said to be the part of 3rd battalion of the 68th Regiment of the Japanese Infantry.

On June 26, at 7 a.m. the Japanese, gathered in groups of war formations, crossed again the Soviet frontier in the same region and proceeded to the same hill. At 12.45 on the same day, the Japanese gathered in groups along frontier line where they were joined by a group of cavalrymen who stayed behind the western slope of the hill beyond the frontier line. At 1 p.m. the whole Japanese detachment retreated to the Manchurian territory in the direction of Bentsihol.

All Soviets Citizens to Withdraw from Manchuria?

A sensation was created in Dairen July 2 by a report issued by *Kokutsu*, the semi-official Manchukuo news agency, declaring that the Harbin Soviet Consul-General had categorically ordered all Soviet citizens to withdraw from Manchuria by August 25.

At the same time it is reported that thousands of White Russians, in Europe, particularly those in Bulgaria and Jugo-Slavia, have applied to the Manchukuo authorities for permission to enter the country.

Soviet Heavy Industry Industry Keeps Up with Plan

According to preliminary data, heavy industry of the USSR. fulfilled 49½ per cent of the half yearly plan during the first six months of this year. Production to a value of 11,267 million roubles has been turned out. This is an increase of 25.3 per cent over the first half year of 1934.

Soviets to Send Mass Exploration Expedition to Arctic

The Moscow correspondent of the *New York Sun* states that the Soviets are soon sending various expeditions involving some 6,000 men and 73 ships to invade the Northern Coast of Siberia. First, the ice-breaker *Sadko* will investigate unknown regions in the Arctic Sea; secondly, four freighters will attempt the icefield passage from Vladivostock to Archangel, two each proceeding in opposite directions; third, 30 ships will make the trip from Murmansk to the mouth of the Yenisei, etc. Many airplanes will be used in scouting ice conditions.

More Soviet Workers for Sakhalin Oil Fields

New cadres of Soviet workers are arriving at the Okha oilfields on Sakahalin Island in connection with the increased program for oil output. *Tass* says that those who had previously worked in Okha all express their surprise at the development of the fields and of the town where hospitals, theaters, libraries and comfortable houses for the works have been built.

Soviets Sign 76 Contracts For Goods in Japan

A total of 76 contracts for the purchase of Japanese goods, involving more than Yen 10,000,000, have been signed between Japanese manufacturers in Japan and the Soviet trade representatives under the terms of the agreement for the transfer of the North Manchuria Railway to Manchukuo ownership.

Japanese Move Towards Setting Up an Independent Government in North China

BY PAUL K. WHANG (汪仲芳)

THE Japanese-style political stage in North China is now in the process of setting-up, and the performance, which will be under the able direction and supervision of Messrs. Doihara and Company, promises to be as farcical as the one that has been enacted in Manchuria for the past four years. The vast audience, who have watched with any degree of attention the Manchurian melodrama, can easily draw their own conclusion as to the episodes of the performance to be enacted in North China. Therefore what interests us is not what will be the nature of the forthcoming performance, but who will play the principal role. The Japanese stage-masters and stage-directors seem to have a very difficult task on hand in finding a suitable Chinese actor to play this star role, because this actor must prove himself not only as amenable to the Japanese directions as the bespectacled Henry Pu Yi, but also popular enough with the Chinese audience in North China. In order to make their performance a big hit, they have to select a principal actor possessing these two necessary qualifications.

Mayor-General Doihara is not an unfamiliar figure to this topsy-turvy world. He has already won such a sobriquet as "The Lawrence in Manchuria" for his ability in directing the Manchurian farce. The prominent part he played in spiriting away Henry Pu Yi from the Japanese Concession in Tientsin and later placing him on the puppet throne of "Manchukuo" will most probably go down to the history as a master-piece of political adventure in the twentieth century. His foxiness and resourcefulness, coupled with his long association with Chinese officialdom and his profound knowledge of Chinese psychology, have made him an indispensable figure to the Japanese imperialists in their conquests of China. Wherever he goes in China, he seems to carry a political bag full of tricks and play intrigue with this or that clique for the furtherance of the Japanese cause. Therefore his present activities in Peiping and Tientsin are adequate signs pointing to the world that a new political performance under his direction is now in the stage of preparation and will soon be enacted to entertain the people of this very depressed world.

Not the First Attempt in North China

This is by no means the first time that the Japanese imperialists have attempted to establish a puppet government in North China. Two years ago, when the Japanese forces were on the point of capturing Peiping and Tientsin, a movement was openly conducted by the Japanese imperialists to set up an independent government under the nominal leadership of the aged General Tuan Chi-jui, head of the defunct pro-Japanese Anfu Clique. This Japanese plot was barely frustrated, when the Nanking Government, on learning this intelligence, rushed the aged General from Tientsin to Shanghai, so as to remove him from the tentacles of Japanese intrigues. Even to the present, the Japansee imperialists are still lamenting at the loss of a "big shot", whose name, otherwise, could be utilized to their great advantage.

The present developments in North China have once again been seized by the Japanese imperialists as a God-send to renew their endeavor in organizing a puppet government. With the aged General definitely out of their reach, they have been compelled to find their protege among the lesser stars. So far as the retired Chinese warlords are concerned, there are many noted figures living in Tientsin and in Dairen. Messrs. Doihara and Company, therefore, have plenty of material on hand from which to pick the suitable "head-liner". In this connection, many familiar but forgotton names have already been brought to the public notice, and mentioned as the possible candidate to the star role of a big play which is going to be staged under the Japanese auspices.

The first name mentioned is no other than the once formidable General Wu Pei-fu, whose military feats are still recounted with interest by his contemporaries. The General has proved himself an expert both in wielding a sword and in holding a pen, and at one time was even hailed as the Savior of China. It has been the belief of his many admirers that he would have succeeded in conquering the whole of China by means of military force, if his subordinate, Gen. Feng Yu-hsiang, had not played dirty tricks on him in 1924. Since that setback, his political star rapidly descended and totally passed out of the political firmament after the ascendancy of the Nationalists in 1926. Although living in retirement since then, he has had a considerable following because of his popularity with the people in North China. Therefore, after Gen. Tuan, he will certainly be the next big drawing card which the Japanese can find. But in view of his past uncompromising attitude toward the Japanese-supported Anfu Clique, we have reasons to believe that he will not stoop so low as to be a Japanese puppet.

Another name mentioned in this connection is also a noted figure, Gen. Feng Yu-hsiang, who is now living as a "hermit" in a temple at Taishan, the sacred mountain of Shantung Province, under the aegis of his former subordinate, Gen. Han Fu-chu, chairman of Shantung Provincial Government. The erstwhile "Christian General", although a follower of the Kuomintang and a sworn brother of Gen. Chiang Kai-shek, has had no sympathy with the Nanking regime, and at one time even led an abortive separatist movement with Gen. Yen Hsi-shan. His aptness at treachery, his readiness to change his color like a chameleon and his spartan mode of living have combined to make him as enigmatical as interesting. Whether he has recently changed his anti-Japanese attitude is not known, but his eloquent appeals to the nation for resisting the Japanese invasion right after the Manchurian Incident are still ringing in our ears. The very fact that the Japanese have recently ousted his former subordinate, Gen. Sung Chi-yuan, from Chahar Province makes us doubt if they will accept him as persona grata. Besides, the Japanese are not likely to embarrass Henry Pu Yi by giving a status equal to his to a man who ten years ago kicked him out of the Forbidden City bag and baggage.

Besides these two well-known figures, the name of Gen. Sun Chuan-fang, the former overlord of five rich provinces along the Lower Yangtsze Valley, has been likewise mentioned in wide rumors. It may be recalled that when his areas were invaded by the Nationalist forces in 1926-7, he put up a stiff resistance in Kiangsi, but finally had to make his political exit in face of heavy odds against him. Although his political career was a brief one, he made a good name because of his fairly good administration. While he entertains no friendly feeling toward the Nanking Government, he, however, is said to be too sagacious to play into Japanese hands. In refuting current rumors, he declared that he was interested only in deep Buddhist studies and the writing of Buddhist books, and that "the use of my name is probably part of a Japanese plot designed to instigate those who are dissatisfied with the Nanking Government into stirring up a revolutionary movement and then substituting another person as head of a 'puppet regime.'" Since he is fully aware of what the Japanese have up their sleeves, it does not appeal to us that he will willingly lend his good name to any of the Japanese plots.

The Possible Candidates

Next to Gen. Sun, Gen. Chi Shi-yuan has been also mentioned as a possible candidate. The former Kiangsu Tuchun, who was held responsible for the Kiangsu-Chekiang fight in 1924, does not possess a very good name both because of his greediness for power and his corrupt administration. As a general, he did not even know the ABC of military science; and as a political administrator, he confined his attention to the means of raising revenue for his personal coffers. Therefore, we are safe in saying that any separatist movement under his nominal leadership will be foredoomed to failure. Besides, we are told that, being newly re-married, he is now totally absorbed in matrimonial happiness to the exclusion of any political dreams.

Another possible candidate for this star-role, as reported, is Gen. Shih Yu-shan, a bandit-leader and former subordinate of Gen. Feng Yu-hsiang. Gen. Shih has long been on the Japanese pay-roll, and on many occasions created troubles in Tientsin at Japanese instigation. Doubtless, he is more than willing to be a Japanese puppet, but the Japanese are not likely to give him this role, because they realize that any government under the nominal leadership of a bandit-leader can not be expected to be successful.

Who will be the star player of the forthcoming performance in North China is, of course, a matter of speculation. Those who at present have declined the Japanese offer, may, through Japanese intrigue with their jobless subordinates, find themselves in such a difficult position that they will have no way out. It is our belief that if Henry Pu Yi could act in accordance with his own free will, he would certainly find tennis games more interesting than puppet-acting. Therefore, those warlords who are now finding hermit-life, Buddhist studies and nupital happiness more attractive than politics may be forced, against their own conscience and free will, to take up the role of Japanese puppet. It will not surprise us if history should repeat itself.

Messrs. Doihara and Company are now busily engaged in approaching this or that possible star-player. Wang Keh-ming, head of the new administration in North China, may be *persona grata* with the Japanese, but this new regime is not expected to have a very long life. The Japanese stage-directors may temporarily defer their puppet-show pending the consolidation of their new gains in North China, but that this performance will be sooner or later, rather sooner than later, staged, can no longer be doubted.

Japanese Farmers Say They Can't Make a Living

FARMERS in the neighborhood of Tokyo are in despair. It is practically impossible, they say, to earn a livelihood from the land because fertilizer is too expensive and the price of vegetables too low. After the fertilizer is paid for, they calculate, the wages for their labor do not amount to more than 15 sen a day and sometimes even less.

New vegetables such as lettuce, celery, artichokes, asparagus and the like may be profitable for the time being, but they say, they have no experience in growing them, and the market for them is still so limited that it is not worth while. And by the time such vegetables become popular, they fear, the price is bound to drop as was the case with the tomato.

They believe that the only way they can make both ends meet on the farm is to return to the old way of living or to earn from city people the money they must spend in the city. By the old way of living, they mean to manufacture daily necessities themselves instead of buying manufactured articles from the city, eat and live and supply the city with the products of their farm as their ancestors used to do. This is impossible, they realize, since they have forgotten the old way of living. The only alternative is to earn money from the city people to enable them to buy manufactured articles from them.

A Farmer Speaks

One of the leaders of a village near Nerima, a suburb of Tokyo, in an interview with a representative of the *Japan Advertiser*, complained that the farmer nowadays is too much imposed upon. "The farmer has a hard time." he said, "for he is fighting desperately to earn his living but in vain. His life is made harder by the fact that he is required to take military drill, is called upon to serve his turn as the village night watchman, has to play the part of fireman, and attend meetings of one kind and another. Moreover, he is often involved in politics and social work. These things may be all right, but they mean money. The young man on the farm has learned to wear a watch, dress in foreign clothes, dine at restaurants. In the meantime, his sisters and mother have forgotten the art of making things at home and prefer to buy manufactured articles from the city, while the cash income from the farm has become less. The farmer has been spending much more money in buying articles from the city than the amount he earns from his farm and has had to sell his land slice by slice to support his family."

This man's argument may be right or wrong, but what is going on in his village in this connection is interesting. A few examples of the condition in which farmers are living will illustrate the tendency in many farm villages in the neighborhood of Tokyo. Here is a farm family with five steady work hands, including the head of the family, his wife, their two sons and the wife of the elder son besides several children who are still too young to work. The adult members are constantly at their work on the farm, but they are not making enough out of their labor. "The price of vegetables is so low," said the head of the family, "that when the fertilizer is paid for, our earnings from the labor we expend raising them is usually no more than 15 sen a day per capita. Our family eats about 20 bales of rice mixed with barley a year, but we buy most of the rice because it does not pay to raise it. We buy bean paste, soy, sugar, salt and everything else except vegetables. Some farmers in this village even have to buy wood to burn."

Once Self-Sufficient

In former days, the farmer wore kimonos of home spun and made practically all the daily necessities at home. During the Meiji era, according to his story, five vegetables were raised with human manure as fertilizer. "In those days," he said "a comfortable living depended upon one's industriousness, but that is not enough today. We work from early in the morning till after dark, but we can not earn enough money to buy fertilizer and other things for the upkeep of the family."

But this farmer's living conditions are somewhat better than the average, and how he maintains them is a mystery. The principal source of his income is the rentals he receives from six families from the city for house lots he owns. The proceeds from the rentals total about Yen 60 or Yen 70 a month. This together with what his family earns by labor on the farm is sufficient to finance the daily home necessities, enable the members of the family to enjoy the city habit of fresh fish eating and occasionally making a trip here and there by modern transportation facilities.

But the farmer has his troubles. He has to give away one of his daughters in marriage sooner or later and he has to open a noodle shop for one of his sons who had been apprentice at a noodle shop until recently. The son became a full fledged cook and now the father has to pay a part of his debts which has been swelled annually by accruing interest. All this means expense, and he has no alternative but to sell a slice of his land to finance it. When his eldest son took a wife several years ago, he had to sell a piece of land to finance the wedding ceremony and the improvement of his homestead. When he got into trouble with one of his tenants and went to court, he had to do the same. And now he is confronted with a situation in which he has to part with a few more slices of his land. Having acquired the habit of living a little better than the average farmer in the village, he is unable to return to the former mode of living for the sake of economy. The village gossip has it that unless he disposes of a third of his land to pay off his outstanding debts and start life anew he will ultimately lose all the land he has. It is easy for villagers to gossip, but such would be hard for any of them because of the feudal sense of respectability which is still strong in a farming village. So he is not likely to resort to such drastic measures, but will continue to sell his land slice by slice and face the inevitable.

Finds Farming Doesn't Pay

Another farm family which consists of an old man, his wife and their grandson was interviewed. The old couple once had several sons and daughters, but they are all dead, and the little grandson they are taking care of is the son of their eldest son. The old farmer said that he quit farming altogether because it does not pay. "What is the use in working hard when the labor on the farm does not bring more than 10 or 15 sen a day" he said. "According to my own experience, there are more chances of losing money by farming than of making it. The cost of fertilizer is high, and you can not count on earning even that much wages from your labor unless weather conditions are excellent and the crop is good.

"When I was young, human manure as fertilizer worked wonders. When the price of vegetables began to go up, the tendency continued for a long time. We now have to use lots of costly commercial fertilizer in order to get a good crop on anything. A high price for vegetables does not prevail more than two or three days because the wholesale dealer gets what he wants from distant places by modern transportation facilities when the vegetables in the neighborhood of the city are scarce. What is the use of working on the farm here when I have more chances of losing money than earning it?"

The old man is living more comfortably than many of the farmers in the village, sending his grandson to school, splitting wood for home consumption and raising produce to sell only when a buyer calls on him to buy. His grandson was seriously ill last year and he had him in a hospital for six weeks. He himself had one of his eyes operated on last spring and he has an artificial eye in its place.

He Has Other Troubles Also

And besides, he has other troubles. He has several acres of land, for which he has to pay land tax. He rented most of his land to other farmers for farming purposes at the rate of about Yen 20 a year for on fifth of an acre. He can also depend on house lot rentals, totaling about Yen 70 a month, that he receives from city workers, but a large proportion of his tenant farmers fail to pay their rent. He said: "I can not very well force my tenant farmers to pay their rent when I know they are not making anything out of the land. All I can do in such a case is to get enough money from them to pay the land tax. I often fail to get even that much".

One of the farm families in this village has bettered itself remarkably by losing practically all its land. The head of the family had about two acres of land of his own and rented a piece of land for farming from a friend to set his family to work. He, his wife and their three sons had been working hard on the farm in an effort to earn a living but he had not always been successful. On the occasion of a financial pinch several years ago when he had to pay off a part of an old debt, he had to sell a slice out of what little land he had. Then he had to sell another slice about five years ago when he had to give away his eldest daughter in marriage to a son of a family in the next village. In the spring of 1932 he contracted pneumonia and finally died of the disease. He was survived by his mother, wife and five children. To make the situation worse, the eldest son was conscripted to serve in the navy for four years.

The situation was desperate and the members of the family did not know what to do. All the farmers in the village were in sympathy with them, but what has been happening to the family subsequently was quite unexpected. Two sons got jobs as apprentices at a printing shop in Tokyo and bring home about Yen 20 each every month. They have no incidental expense in going to work because they go on their bicycles, taking lunches with them. When they work at night, they have extra income. In other words, they live according to the farmer's standard of living and earn the wages according to the city standard of living. In addition to this, the family has an income of about Yen 15 a month from the small house lots it lets to two families from the city.

Confident of Future Now

The family now has about one quarter of an acre of land east and about half an acre west of their dwelling house. The widow works on the half acre on the west to raise enough vegetables while her sons are away for work and her mother-in-law keeps house. She recently sold the quarter of an acre on the east side of the house to pay off debts once and for all. She is now completely relieved from the constant fear that the little more than half an acre on which her family depends for its sustenance will be seized by her creditor.

One of the sons who is working at the printing shop is going to take the examinations for military conscription soon, but his mother takes the situation as a matter of course, confident that her family can live without serious difficulty because she has a steady income, has plenty of vegetables and need not pay house rent because the house is her own. She is quite hopeful because her eldest son who is now in the naval service is coming home within two years. "My son," she said, "it attached to the flying corps at Kasumigaura and is learning much about airplanes and aviation. After the service, he can get a fine job at any airplane factory. We as a farm family have lost practically all the land we had, but things are coming our way."

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The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

China's Habeas Corpus Act

BY C. Y. W. MENG (孟長泳)

AS was the case in England, constitutional development in China is slow, but steady, and progressing towards gradual perfection. The adoption of the Habeas Corpus Act by the Legislative Yuan and the promulgation and enforcement of the Act by a Mandate of the National Government dated June 21 could not but constitute one of the most significant achievements in the adoption and development of a constitutional form of government in this young Republic of the Orient. The development of the Act may be divided into two periods; namely, the Act in the making, and the Act in its final form.

The Act in the Making

The demand for a Habeas Corpus Act in China dated back to the time of the famous "Reform Movement" of 1898 under the defunct Manchu Dynasty. Among a series of Imperial Edicts issued in 1898 and afterwards, the most important of all is the Edict of September 12, 1898, which, after rebuking officials serverely for refusing to transmit memorials which had come in, "extended the right of petition to practically every soul in the Empire!" The Edict of September 13 further laid down precisely the "procedure" and "severe punishments" to the officials. This was the first time that under an absolute despotism the meanest people were permitted by imperial sanction to send in their petitions and to address their "grievances" directly to the throne! These Imperial Edicts not only opened a new era in Chinese constitutional history, but also formed the background for a Habeas Corpus Act in China.

The Late Dr. C. C. Wu, the Original Proposer of the Habeas Corpus Act.

In 1907 the "New Regulations for Judicial Administration" were promulgated, which were also carried into effect after the establishment of the Republic. Article 19 of the "Regulations for Courts of Justice" reads :—

"When a warrant for arrest is issued. the person must be brought into Court within three days".

But, Article 20 of the same Regulations reads :—

"When a person is summoned, an examination shall be held on the same day; when a person is arrested, the trial shall be begun within two days after his appearance".

In 1908, a "Constituion" was sanctioned, binding alike upon the Emperor and people, a period of Nine Years' Preparation for a representative Government was fixed, and a program of reform for every year was drawn up and ordered to be put into force. Under the second section dealing with the "Duties and Privileges of Subjects", it provides :—

"Subjects cannot be imprisoned or punished except according to law". "Subjects charged with infractions of the law have the right of trial by competent judges."

"Only Courts properly established, according to law, are competent to deal with cases."

Dr. C. C. Wu's Suggestion

At the time of drafting the first Provisional Constitution for the Chinese Republic, Dr. C. C. Wu, a veteran diplomat, suggested drafting a "Habeas Corpus Act" for China, definite in form and detailed in regulations, for the protection of personal liberty. Though his suggestion was not carried into effect, it was responsible for more detailed provisions in the Provisional Constitution providing the "rights of the citizens". It provides not only that "no citizen shall be arrested, imprisoned, tried and punished except in accordance with law, etc.", but also that "citizens shall have the right to petition parliament and the executive officials; to institute proceedings before the judiciary and to receive trial and judgement; and to sue officials in the administrative courts for violation of the law or of their rights".

Article 8 of the Provisional Constitution of the Political Tutelage Period promulgated at Nanking on June 1, 1931, aside from providing that "Except in accordance with law no person (Jen Min) shall be arrested, detained, tried or punished", further provides that "when a person is arrested or detained on a criminal charge, the organ responsible for his (or her) arrest or detention shall send him (or her) to the competent court for trial within not more than 24 hours. The party concerned may himself petition, or some other person may petition on his behalf, that he be brought (before the Court) for trial within 24 hours".

Article 8 of the draft "Permanent Constitution" for China prepared by the Constitutional Drafting Committee under Chairman Sun Fo of the Legislative Yuan, further provides that "the Court shall not reject such petition and the organ responsible for such arrest or detention shall not reject the Court's demand for trial". When the Permanent Constitution was being drafted, Dr. C. C. Wu again suggested a Habeas Corpus Act for China.

Thus it will be seen that ever since 1889 the Chinese Habeas Corpus Act has been in the making, with one step after the other taken towards its crystallization.

Sun Fo, President of the Legislative Yuan, who Framed the Habeas Corpus Act.

The Act in Its Final Form—Good C.C.C. Work

In order to put into force Article 8 of the Provisional Constitution of the Political Tutelage Period, the C. C. C. (Criminal Codification Committee) of the Legislative Yuan was instructed by the President of the Yuan to draft a detailed law for issuing a "writ" by one of the competent courts commanding the body of a prisoner to be brought before the court with a statement of the day and cause of his (or her) arrest and detention. A review of the report of the C. C. C. submitted to the general meeting of the Yuan will reveal to us that the C. C. C. has made quite a thorough study of British constitutional history and that the present Act is really modelled on the famous British Acts of 1679, 1816, etc. The following is the full text of the Act (roughly translated by the writer) :

Full Text of the Act

Article 1. When the person is being illegally arrested or detained by any organ other than the local law Court, the said person or his (or her) relatives can apply to the local Court or the Court attached to the Higher Court for a writ of Habeas Corpus. Such application can also be addressed to the court through the attorney.

Article 2. The organ responsible for the arrest or detention of the person shall inform, in writing within the person or his (or her) relatives, of the reasons for the arrest or detention, not later than 24 hours. The person or his (or her) relatives can also demand such information afterward.

Article 3. The application for a writ of Habeas Corpus shall be in written form, and shall state the following particulars :—

(a) Name, sex, age, native place, residence or domicile of the applicant. In case his (or her) relatives are sending the application on his (or her) behalf, they shall state the name, sex and native place of the person arrested or detained, and also their relationship with each other.

(b) The fact of the illegal arrest and detention.

(c) The organ and the location of the organ, or the names of the officials, responsible for the arrest and detention of the person.

(d) The name of the Court to which the application is addressed.

(e) The year, month and date of the application.

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Article 4. When the Court, upon the receipt of such application, deems it necessary, it shall inform the organ responsible for the arrest and detention of the person briefly regarding the contents of the application, and shall set a definite date within which the organ shall give an answer.

Article 5. When the Court, upon the receipt of an answer from the organ responsible for the arrest and detention of the person considers that there is absolutely no reason for a writ of Habeas Corpus, it shall refute and return the application within 24 hours, The applicant who is not satisfied with the decision may appeal to the Higher Court within 5 days after the receipt of the decision. But there shall be no more appeal if the decision is handed down by the Higher Court.

Article 6. When the Court, upon the receipt of an application or an answer from the organ responsible for the arrest or detention of the person, considers that there is some reason for issuing a writ, it shall issue such writ to the organ within 24 hours.

When the Court informs the organ upon the receipt of the application, in accordance with Article 4, but fails to receive any answer from the organ after the expiration of the time limit, it shall issue the writ at once. The said Court shall also notify to the same effect the higher organ to which the organ responsible for the arrest or detention of the person is attached.

Article 7. The writ of Habeas Corpus shall state the following particulars :—

(a) The organ, and location of the organ, responsible for the arrest or detention of the person.

(b) The name, sex and native place of the person arrested or detained.

(c) The Court which issues the writ.

(d) The Court to which the person shall be handed over.

(e) The year, month, and date of the issuance of the writ.

A duplicate copy of the writ shall be sent to the applicant. If necessary, the sending of the duplicate copy to the applicant may be done by telegram.

Article 8. The organ responsible for the arrest and detention of the person shall deliver the person within 24 hours after receipt of the writ. If the organ has already handed over the person arrested, or detained, to another organ, prior to the receipt of the writ, it shall forward at once the writ to the latter, which sha hand over the person to the court directly within 24 hours. When the Court comes for the delivery of the person, the organ shall surrender the person at once.

If the organ responsible for the arrest and detention of the person has already set the person free prior to the receipt of the writ, it shall immediately state the reason and the time of setting free the person.

Article 9. When the Court after trial considers that such person should not be arrested or detained, it shall free him (her) at once. When the Court considers the person arrested or detained as suspect, it shall order that the person be handed over to the prosecuting attorney for further examination.

Article 10. When the officials of the organ responsible for the arrest and detention of the person are found to have violated Section 1 of Article 2, or Section 1 of Article 8, they shall be punished by imprisonment with labor for not more than two years, or be fined not more than $1,000.

Article 11. The date for enforcement of the Act will be decided by a Mandate. By a Mandate dated June 21, this Act now goes into effect.

The Habeas Corpus ad Subjiciendum!

A careful study of the newly promulgated Chinese Habeas Corpus Act will reveal to us that it is really the "Habeas Corpus ad subjiciendum", the most famous and important of all forms of the Habeas Corpus. It is a well known remedy for the violation of personal liberty. It is addressed to the person in whose custody another is detained and commands him to bring his prisoner before the court, with a statement of the day and cause of his (or her) arrest or detention, and to do, submit to, and receive whatsoever the judge or courts awarding the writ may consider on their behalf.

But while congratulating the Legislative Yuan, under the able presidency of Sun Fo, for a wonderful achievement in providing us with more security and more adequate protection of our liberty, we are sorry to say that our foremost promoter of a Habeas Corpus Act in China could not survive to see that his suggestion, dated more than 20 years ago, but having a far reaching effect in the constitutional development of China, is now being translated into a reality!

Nanking, June 29, 1935.

Manchukuo Judiciary Prepares for Extrality Abolition

EFFORTS of Manchukuo officials to prepare for the anticipated abolition of all extraterritorial rights by Japan in 1941 is reflected in the increase of the appropriations allocated the Justice Department in the 1935 budget. A total of $4,700,000, including a $100,000 appropriation for extraordinary expenses, is provided for the six-month period which this year's budget will cover. Among the reforms to be carried out will be the establishment of district courts, which will take over the judicial rights formerly conferred upon hsien magistrates. The erection of three new prisons, one each in Hsinking, Mukden and Harbin, and the improvement of others; the reform of the warders training school and the transfer of the Kirin High Court to Hsinking, and that of Chengte to Chinchow, are also projected. Other High Courts are located in Tsitsihar, Harbin and Mukden.

Privy Council Commission Approves Japan-Manchukuo Pact

A special committee of the Privy Council in Tokyo June 27 unanimously approved of the draft agreement providing for the establishment of a joint Japanese-Manchukuo Economic Council.

Japanese Troops Allegedly Kill 1,332 Manchukuo Bandits in May—25 Japanese Soldiers Killed

Twenty-five Japanese soldiers lost their lives and 77 were wounded in 195 encounters with bandits during May, in which 1,355 outlaws were killed by the punitive forces, the headquarters of the Kwantung Army announced June 29. Nearly 15,000 bandits were involved in the clashes, which occured in various parts of the country. The Kawagoshi department, which lost eight men, killed 584 brigands, in clashes with bands numbering 4,400 men, the report added.

Mongol Delegates Get New Protest at Manchuli Meet

The Manchukuo delegates to the conference meeting at Manchuli, to settle the Lake Buyer Nor incident, June 27 filed representations with the delegates of Outer Mongolia over the reported violation of the Manchukuo frontier June 25 by Outer Mongolian soldiers. The Manchukuo representatives pointed out that this incident, of the same character as that at Lake Buyer Nor last spring, which caused the present conference, would be injurious to friendly relations between the two countries, and requested all possible steps to prevent such incidents.

Hsinking to Merge Gun-Powder Concerns

All the gun-powder manufacturing concerns in Manchukuo will be merged by the Government before the end of this year an official of the Hsinking Home Office stated June 29. The projected firm will be named the Manchuria Gunpowder Manufacturing and Distributing Company, Ltd., and will be directly controlled by the Ministry, the official said. The company will be capitalized at $500,000, of which one half will be contributed by the Manchukuo Government and the remaining $250,000 by the South Manchuria Railway Company, the Mukden Arsenal, the Penchihu Iron Manufacturing Company and others.

Two-Story Bridge Over the Yalu River Is Planned

Construction of a two-story ferro-concrete bridge over the Yalu River, which separates Korea from Manchukuo, is being considered by the Korean Government-General. The top story, according to the plans, will be for vehicular traffic, while the lower will be used exclusively by pedestrians. The necessary appropriations for the erection of the bridge will be asked in the 1936-37 budget.

Export to Manchukuo from Britain Stated to Be Growing

A comparison of the British exports to Manchukuo this year and those before the birth of the Empire, which was requested by a questioner in the House of Commons June 25, was given by President of the Board of Trade Runciman. He said that while the total export to Manchukuo in 1931 was £3,361, it had increased to £625,000 in 1934. There was little change in exports of textiles, whereas the exports of machinery, tools, iron and steel increased by £130,000.

Oriental Development Co. to Monopolize Korean Coal Industry

With the absorption of the Yen 10,000,000 Chosen Anthracite Company on September 1, the Oriental Development Company will monopolize the coal production in Korea. The Anthracite Company will be merged with a subsidiary of the Oriental Development Company which recently acquired the Korean collieries of the Mitsubishi and the Meiji Mining Companies. *Rengo* says the mergers follow the policy of rigid control of industries laid down by the Government-General of Korea. As soon as the new monopolistic concern comes into existence, it will be given the right to exploit the vast coal fields in Sansho, Kogendo Province.

Banking Syndicate Agrees to Float Loan for S.M.R.

Agreement to a Yen 30,000,000 loan for the South Manchuria Railway was reached in Tokyo June 28, by a syndicate of leading banks. The bonds, which will carry 4.3 percent interest per annum, will mature in 13 years, two years earlier than is customary for S.M.R. debentures. Redemption will begin after 3 years at the rate of Yen 600,000 every year. Public subscription will be received early in August.

Speedy New Oil-Burning Locomotive Planned by S. M. R.

Draft plans for a 1,000 horsepower oil-burning steam locomotive, with the engineer's cab in the nose, instead of in its usual position at the rear end, are being drawn up by engineers in Dairen, the South Manchuria Railway Company announced this week. The engine is being designed to develop a speed of 130 kilometers per hour.

Tumen-Mutankiang Railway Line Opened to Public June 1

Passenger and freight traffic between Tumen and Mutankiang, June 1 northern Manchukuo, was opened to the public July 1. The line is being operated on behalf of the Inspectorate-General of Railways of Manchukuo by the South Manchuria Railway Company, which also built the line.

Manchukuo to Have Alcohol Monopoly

Monopolization of the alcohol industry in Manchukuo is being considered by the officials of the Monopoly Bureau. A draft low being drafted by the Bureau privides for the establishment of a Government controlled company, which will have monopolistic rights on the manufacture of Alcehol. The firm will make spirit from kaoliang to meet the industrial and other.

Manchukuo to Float Loan to Reward "Patriots"

Imperial sanction for the issue of a $8,500,000 loan to securfunds to reward persons who took a prominent part in the funde ing of the new State, was sought in Hsinking June 2 following the approval of the drast bill by the State Council.

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Harbin Consul Issues Unlawful Certificates

The consul of a European power stationed in Harbin is alleged to have issued bogus certificates of nationality to more than 1,000 citizens of several countries against payment of large sums of money as fees. The revelation is said to have created a tense atmosphere among the Japan and Manchukuo authorities and in the diplomatic corps. Japanese dispatches say that on the strength of these fraudulent certificates, several spies of a large power are believed to have entered Japan. The consul in question is said to have collected from $150 to $200 each from every one desiring to travel to Japan on the strength of his certificates. The consul fled to Siberia on June 9 when he saw that the authorities were on his track. In view of the disclosure, Japanese and Manchukuo authorities no longer recognize his certificates.

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Manchurian Co. Opens Branch irm in Mukden

The Manchurian Company Ltd., an old established firm in Manchuria, which represents many well known British, American and other foreign concerns, being engaged in general import, insurance, land and real estate business, has recently opened a branch in Mukden. William Baker is in charge of the newly opened Mukden branch. The company has taken over some new agencies, including that of Coates cotton thread, which they assumed in South Manchuria after the closure of the Mukden office of Arnhold and Company.

The German export, import and building company, under the name of Vereinigte Handels and Bau Ges. (Vehabag), has also opened an office in Mukden. It represents several German concerns dealing in locomotives, caterpillars, trucks, motors and machinery, including Messrs. Henschel, at Kassel, and Hanomag at Hanover, as well as a big German import house in Hamburg, Messrs. Schultz and Klockmann. It is also connected with Max Kattwinkel, AKU. China agency, Shanghai, and Machinery Engineering Corporation. H. Stahlmann, a resident in China and Manchuria for 24 years, is in charge of the export department of the firm. W. Merzsch, a German architect and old-timer in China and Manchuria for 38 years, who returned last February to Mukden from year's vacation in Germany, is in charge of the building department.

P. U. M. C. Ordered to Pay Salaries and Expenses to Dismissed Doctors

The suits brought by Dr. Chester M. Van Allen, Dr. John W. Spies, and Dr. John J. Wolfe, physicians and former professors, for damages for alleged wrongful dismissal from the Peiping Union Medical College (Rockefeller institution), were concluded in the U. S. Court for China, June 29, when Judge Milton J. Helmick held in a written judgment that the dismissals should not be viewed as dismissals for cause, but as dismissals for the good of the college. Although they were in no sense wrongful dismissals and did not call for the imposition of damages *ex delicto*, they did entail the obligation to pay the salary and travelling expenses which would follow any unexpected termination of appointment. Appropriate judgment, the Court said, would be entered with costs equally divided between the parties.

$100,000,000 of Chinese Customs Bonds Being Floated

Chinese government Customs bonds amounting to $100,000,000—half of which will be appropriated to make up the deficit of the Finance Ministry for the current year and the other half for the redemption of the originally issued $50,000,000 national government treasury bonds—are being sold as from July 1, following approval by the Legislative Yuan. The national receipts of the Finance Ministry for the current year fall short of anticipations, and to make up the deficits and to redeem the national treasury notes, it was decided to issue the Customs loan, following detailed study by the Legislative Yuan.

It is provided that the Sinking Fund released upon the retirement and destruction by fire of the $50,000,000 23rd Year (1934) Customs Treasury Notes shall be earmarked as a Sinking Fund for the service of this loan. Any deficit shall be made up from the revenue of the newly increased Customs duties. The Ministry of Finance shall instruct the Inspectorate-General of Customs to pay monthly to the Central Bank of China for account of the National Loan Sinking Fund Administration Commission, the requisite funds to meet payment of principal and interest according to the amounts set forth in the table for the amortization of principal and payment of interest.

Many Native Banks Close in Wusih

Of the total 20 native banks in Wusih, 11 have closed their doors during the past few months because of poor business.

T. V. Soong to Inspect Branches of Bank of China

T. V. Soong, Chairman of the Board of Directors of the Bank of China, will make an extensive tour of the branch offices of the Bank of China. Savings departments have been opened recently in more than 200 branch offices.

Shanghai Cotton Mills Restrict Production

Seven Chinese cotton mills in Shanghai including Wing On, Hungchang, Sung Sing, Heng Foong, and Tung Yi cotton mills have started a general reduction of operations. It is stated that these mills lose from $5 to $15 for every bale of yarn produced. The Chinese Cotton Exchange will sell Japanese yarn beginning from August 1.

Fukien Rolls Up a Deficit of More Than One Million Dollars

General Chen Yi, Chairman of the Fukien Provincial Government, declared in Shanghai last week that in the past two years, Fukien has had a deficit of more than one million dollars.

Chekiang Province Borrowed Four Million Dollars Last Year

Excluding small loans, the Chekiang Provincial Government borrowed a total of $4,030,908.36 in the past year, according to official statistics released at Hangchow this week. These loans were secured on provincial bonds issued by the Provincial Government for the rehabilitation of old loans.

Rouble May Return to Gold Following General Economic Improvement in Soviet Russia

Reports are current in Moscow that the rouble will soon return to a gold basis, due to the general economic improvement in Russia. Last year, Russia was the second largest producer of gold in the world.

Control Yuan's Audit Bureau Starts Operations

The auditing bureau established by the Control Yuan in Shanghai formally began its task of supervising the finances of all local functionaries on July 1. The auditing bureau, as a branch of the auditing department of the Control Yuan, was first established in Shanghai, April 1. During the past three months the bureau has been engaged in investigating the financial status of the City Government and its various bureaus, preparatory to the formal execution of its duties for the fiscal year of 1935, opening July 1. The first task of the auditing bureau after its formal assumption of duties will be the examination of the budget of the City Government of Greater Shanghai for the fiscal year of 1935 now being promulgated. Besides, all the receipts and expenditures in the financial transactions of the City Government and its various bureaus will have to be submitted to the bureau for examination and approval. Other government organizations and public functionaries whose finances will be subject to the supervision of the auditing bureau of the Control Yuan, include First Special District Court, Second Branch Kiangsu High Court in the International Settlement, Second Special District Court, Third Kiangsu Branch High Court in French Concession, Shanghai District Court, Central Bank, Chinese Maritime Customs, Foreign Trade Bureau, Merchandise Inspection and Testing Bureau, etc. The auditing bureau in Shanghai is headed by Lin Chin-yu. Mr. Lin left Shanghai for Nanking by train last week to submit a report to the Control Yuan and solicit instructions regarding the future work of the bureau here.

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Finance Ministry Organizes Control Committee to Prevent Sugar Smuggling

IN order to prevent sugar smuggling and regulate sugar prices, the Ministry of Finance has organized a Committee for Control of Sugar Transportation and Sales. A set of regulations governing sugar control has been submitted to the Executive Yuan for consideration.

The Committee is organized by the Ministry of Finance to prevent sugar smuggling, protect the Customs revenue, regulate sugar prices and investigate the state of sugar production and the sugar market. The Committee is empowered to entrust a special Company, to be jointly organized by Government and private capital, with the task of sugar transportation and sales. Terms and arrangements must be approved by the Ministry. Sugar purchased from abroad by the Company must be stored at the Customs warehouse or any warehouse designated by the Control Committee and must pay the legal taxation before release. Purchase of foreign sugar by the Company must be effected through competitive bidding, and preferential privileges must not be granted to any foreign country. Native sugar-cane planters must report the amount of their production to the Committee. The latter is empowered to despatch agents or representatives to inspect the state of sugar sales in various districts, including inspection of the accounts of sugar factories.

Legal Yuan Adopts $70,000,000 Loan for Szechuen

Regulations governing the flotation of $70,000,000 bonds for Szechuen were formally adopted by the Legislative Yuan June 28. The regulations of the loan, which is for the purpose of bandit suppression, old debt readjustment and approved rehabilitation, were drafted by the Finance Ministry and approved in principle by the Central Political Council sometime ago. According to the regulations, the bonds which will be floated on July 1st next, will bear interest at the rate of six percent per annum and be redeemed in nine years. They are secured on the salt revenue collected by tne Central Government and will be served by the Central Bank of China.

C.M.S.N. Co. Asks $500,000 Loan From Central Bank For Purchase of Steamers From England

With the objective of strengthening its steamship service along the Yangtse, the China Merchants Steam Navigation Company is contemplating the request of a $500,000 loan from the Central Bank of China for the purchase of steamers from England, information from Shanghai states.

China Merchants' Increases Passenger Service to Hongkong

As a result of the Hongkong Government having agreed to recognize ship officers' certificates issued by the Ministry of Communications of the Chinese Government, the China Merchants' Steam Navigation Company augmented its passenger service between Shanghai and Hongkong as from July 1. The new vessels *Hai Han*, *Hai Li* and *Hai Tseng*, built in England, are all being put on the Shanghai-Hongkong passenger service.

$600,000 For Hupeh-Szechuen Highway

The Hupeh Provincial Government has obtained a loan of $200,000 from the Hankow banks for the completion of the Hupeh-Szechuen highway. The various highway bureaus of Hupeh have been abolished and a Hupeh Provincial Highway Bureau was organized July 1 for the unification of management of highways in the province.

Canton to Develop Irrigation Works

A special company is to be organized for the development of irrigation purposes in Kwangtung Province. According to the present plan, the company will be financed jointly by the Kwangtung Provincial Government and the public. The capital of the company will be $6,000,000.

Cement Makers Want Their Product Used

The National Cement Manufacturers Association has petitioned the Ministry of Industry urging that Government organs use native cement in construction work, in order to promote the development of the industry. The Ministry has petitioned the Executive Yuan to order Government organs to act accordingly.

100,000 Salt Workers Out of Work in Kwangtung

More than 100,000 workers in the Canton district have been thrown out of work because of the monopoly of salt transportation and sales by steamships. According to representatives of the salt workers, who are now petitioning the Kwangtung Provincial Government for a readjustment of the present situation, these steamships have raised the price of salt to such an extent that little salt has been sold and consequently little salt can be produced with a profit.

Shensi Opens First Midwifery School

A brief ceremony was held at Sian June 26 on the occasion of the completion of the Provincial Midwifery School building. Many local celebrities attended the meeting, including Shao Li-tze, Chairman of the Shensi Provincial Government. The building fund for the school, which is the first of its kind in Shensi, was donated by a number of political and industrial leaders, prominent among whom are Aw Boon Haw, Singapore multi-millionaire, who contributed $15,000, and Madame Shao Li-tze, wife of the Shensi Chairman, who contributed $5,000.

Directorate-General Amalgamation in Postal Service Goes into Effect

The amalgamation of the Directorate-General of Posts and the Directorate-General of the Postal Remittances and Savings Bank was effected July 1, on orders from the Ministry of Communications. Wang Chih-ching, Secretary of the Directorate-General of the Postal Remittances and Savings Bank, came to Shanghai from Nanking to make the necessary arrangements.

Agricultural Bank Open Branch Offices

A branch of the Agricultural Bank of China was opened at Hsuchow July 2. The branch, of which Kuo Hua-wu is Manager, will be chiefly interested in financing the rural areas. A branch of the Bank was also opened on the same date at Kweiyang, according to a message received from the Kweichow provincial capital.

⁂

International Savings Society Orders All Chinese-Managed Agencies Closed

The board of directors of the International Savings Society ordered the closure, beginning July 1, of its Chinese-managed outport agencies and sub-agencies as a result of the Chinese government criminal code becoming effective on that date. Provisions for the punishment of all operation directly or indirectly of prize-drawing savings banks are included in the new code.

The criminal code provides that, "Those who operate savings with drawings.....shall be sentenced to an imprisonment of under a year and or shall suffer a fine of under $3,000. Those who deal in savings withdrawing or act as brokers.....shall be sentenced to imprisonment of under six months and/or shall suffer a fine of under $1,000."

The I. S. S., being French in constitution, has been in operation since 1912. It does not come within the provisions of the Chinese government criminal code, but nevertheless the board of directors decided that their Chinese agents (to whom the code does apply) should not be placed in a position where they would run any risk. It is announced that Society's Shanghai head office and branches in Canton, Shameen, Hankow, Peiping, Tientsin and Tsingtao, will continue to operate as heretofore.

The Society's principal interior branch was at Nanking. Since the run on the Society started last month, more than 4,000 depositors in Nanking withdrew their deposits and in view of the fact that no new depositors are opening accounts with the Nanking Branch, the Shanghai Office of the Society decided to close it down and transfer the unfinished business here to Shanghai.

⁂

National Lottery Reverts to Monthly Drawings

Announcement was officially made at Nanking June 28 by the National State Lottery Administration that, beginning from the 13th issue, the National State Lottery will be issued monthly, instead of every two months. The number of tickets of each monthly issue will be reduced from 50,000 to 30,000.

Drawings for the 13th issue will take place on August 9.

The prizes are readjusted as follows:—One 1st prize—$250,000; Four 2nd prizes—$50,000 each; Twenty 3rd prizes—$10,000 each; One hundred 4th prizes—$2,000 each; Three hundred 5th prizes—$500 each; Six hundred 6th prizes—$100 each.

The 7th prizes of $200 each are abolished.

The following new prizes are offered:

$6,000—for each of the tickets whose whole number immediately precedes or follows that of the 1st prize ticket. That is, two special prizes of $6,000 each.

$1,000—for each of the tickets whose whole number immediately precedes or follows the four 2nd prize tickets. That is, eight special prizes of $1,000 each.

$50—for tickets whose last two figures correspond with those of the 1st prize ticket.

$10—for tickets whose terminal corresponds with that of the 1st prize ticket.

Peiping-Hankow Railway to Be Improved Under Seven-Year Plan

A seven-year plan for the readjustment and improvement of the Peiping-Hankow Railway service was approved by the Ministry of Railways last week and is being put into force with the new fiscal year from July 1. Among the features of the scheme are the construction of a joint station with the Lung-Hai Railway Administration in Chengchow, northern Honan; the building of modern freight stations; installation of special facilities for the regulations of traffic; purchase of new rolling-stock and replacement of old rails.

British Boxer Indemnity Committee Receives More Applications for Loans

An enlarged meeting of the finance committee of the Board of Trustees for the British Boxer Indemnity Refund was held in Shanghai June 21. Applications for loans by the Huai River Conservancy Board, the Ministry of Railways, and the Nanking Train Ferry Service were considered. It was decided to refer these to the Board of Trustees for decision.

Sino-Japanese Company to Develop Open Ire Mines Along Suiyuan Railway

In order to open the iron mines at Chuanhui and Lungyen districts along the Peiping-Suiyuan Railway, a joint Sino-Japanese company is to be organized in the near future, according to information received here. It is reported that Wang Yi-tang, prominent pro-Japanese Chinese is representing the Chinese interests. The company will have a capital of $50,000,000. The Japanese side will have full responsibility for opening the mine and will have charge of the business and engineering departments.

British Company to Operate Chinese Cotton Mill at Wuchang

A Hankow message to the *Chun Pao* says the Wuchang No. 1 Cotton Mill will be taken over by Arnhold & Company, a British firm, which has extended large sums of credits to the mill. They will open the mill on August 1. Wages in arrears are being paid to the workers. The cotton mill suspended operation some weeks ago because of heavy losses and as a result of these losses the management was unable to meet its loan obligations.

Export Duty Reductions Not Enforced from July 1, as Originally Intended

Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, declared in a press interview at Nanking June 26 in connection with the matter of the reduction and exemption of the export duty on certain enumerated commodities and the abolition of the inter-port duty, that these measures could not be enforced on July 1 as originally planned, as the necessary preparations had not been completed.

The Projected Income Tax had already been included in the National Budget for the 24th Fiscal Year, Dr. Kung stated, and no great difficulties in its enforcement were anticipated.

Dr. Kung further announced that some revisions in the rates of the Consolidated Tax would be made, but the matter was now still under consideration.

Returned C.E.C. Member Paints Gloomy Picture of World's Economics

A gloomy picture of the world's economic situation was painted by Kuo Chun-tao, member of the Central Executive Committee who has just returned from a world tour investigating economic conditions in the various countries in a speech delivered at the memorial service of the Central Party Headquarters in Nanking July 1. Mr. Kuo said the depression is not at an end. Instead, its devastating effect is becoming more and more acute, and there are no signs of a turn for the better.

Overseas "Happy Village" Opened in Anhwei

The formal opening of the "Happy Village" at Hsuencheng, Anhwei, for unemployed overseas Chinese recently returned from abroad, was held June 16 under the auspices of the Overseas Affairs Commission. One hundred and sixteen Chinese refugees deported by the Dutch Colonial Government arrived in Hongkong June 11 from the Netherlands East Indies aboard a Dutch steamer. Tales of ill-treatment of Chinese nationals resident in the Netherland Indies by local government authorities were given to newspaper representatives by the group.

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Gen. Chang Chun Brings Much Improvement to Hupeh Provincial Government

BY S. Y. CHI (季世英)

WHEN the Communist conflagration was finally extinguished by Gen. Chiang Kai-shek in 1932 and law and order gradually reinstated, Hupeh had been torn by war, banditry and destruction, and plans for rehabilitation, reconstruction and relief measures were then urgently awaited. It was at this time that Gen. Chang Chun, former Mayor of Greater Shanghai, was chosen by Gen Chiang to shoulder the great responsibility of rebuilding Hupeh Province after years of chaos and disorder. Hence Gen. Chang assumed his office as Chairman of Hupeh Provincial Government in July 1933. Since then conditions in Hupeh have been gradually resuming normalcy and progress may be noted in every phase of administration.

Due to the combined dilapidation caused by bandits and natural calamities,advancement of political reconstruction has,during the last one and half years, been practically confined to the needs of the people. However, the following four points serve as the guiding principles of Gen. Chang Chun's rule of Hupeh, namely, stabilization of society, reform of officialdom, moral evolution and economic reconstruction. Abiding by these principles, much has been done in the way of improving people's moral power, increasing the people's economic power and strengthening people's organizing power with a view to attaining the goal of consolidating people's ability in self-education, self-support and self-protection. In this way, Hupeh under the governorship of Gen. Chang Chun is heading in the direction of political, economical and moral reconstruction.

No Short Cut to Prosperity

In the mess which followed the conclusion of the anti-Red campaign in 1932, there was no short cut to prosperity and improvement other than a gradual procedure and, therefore, measures of readjustment were introduced as preliminary steps to the solution of the various difficult problems confronting the provincial authorities in their administration. Consequently, reforms were introduced in the system of the Government administration from the Provincial Government down to the Hsien Governments, plans for provincial peace preservation improved, and there came a change for the better in the work of the various provincial departments, Tings and Chus. Besides the above innovations, construction of highways is being carried on according to a fixed program drawn up by the last Seven-Province Public Road Conference; the abolition of miscellaneous taxes is being effected based on the decisions of the last Finance Conference; and such business as census taking, land regulation, police maintenance, communication development, etc. are being carried out step by step in accordance with the Tsungli's teachings and Gen Chiang Kai-shek's instructions. In a word, more work on readjustment than on actual reconstruction has been accomplished during the past one-and-a-half years.

Unfortunately, much of the work is handicapped by last year's drought and famine that have widely affected 42 hsiens (the whole province consists of 70 hsiens), throwing three million people into poverty and destitution, thus compelling the provincial authorities to concentrate their efforts on combatting the poverty and distress of the drought victims by introducing measures of labor relief and farm relief, and by creating cheap rice depots and refugee centers and loan services.

Reforms in Provincial Government Administration

At the initiation of Gen. Chiang Kai-shek, a platform for introducing reforms in the whole system of the provincial government administration was prepared in 1933 by Gen. Chang Chun, Chairman of Hupeh, and submitted to the Generalissimo for approval and adoption. The platform, after being thoroughly studied by the various chairmen of Honan, Anhui, Kiangsi, Chekiang, Kiangsu, Shensi and Kansu, was adopted with some modifications and promulgated by the Generalissimo's Nanchang Headquarters in July, 1934, as "Outline of the Plan for the Amalgamation of the Provincial Departments." The plan was carried into practice on September last, and so far proved very satisfactory. In general, it has three good points. First, the division of power and responsibility and the unification of administration. The new plan calls upon the Chairman of the provincial government to be responsible for all the documents that are to be despatched to the Yuans, ministries or commissions of the Central Government or to the directors of the special administrative areas or magistrates. Hence much time and labor have been saved in the execution of documental orders. Secondly, the reduction of personnel and the adoption of a retrenchment policy. Since the new plan came into force, personnel has been reduced from 817 to 672 and expenditures cut down from $97,957 to $78,376, thus saving $19,581 per month. The money thus saved is deposited to the fund reserved for making good the deficits in the hsien governments. Thirdly, the consolidation of organization making for efficiency. The new plan suggested that under the Secretariat there should be established four sections; namely, legislation, technical affairs, survey and statistics, and information, which positions are to be filled only by experts. As regards the improvement of hsien governments, the first thing was the increase in the administration fund: The first grade hsien government from $1,250 to $1,470 per month; the second grade from $950 to $1,370; and the third grade from $850 to $1,230 or $1,110; the average increase being above $300 per month per hsien. Then came the question of the selection of magistrates and assistants and decision as to their qualifications. So, special training classes were organized to train the magistrates and assistants and an examination committee instituted to examine their qualifications before they were installed in office. The third reform was the cancellation of all district bureaus, which were replaced by three sections under the direct control of the magistrate; namely, civil affairs, financial affairs, education and reconstruction.

For convenience sake, every hsien is divided into a number of areas or Chu, usually 5. The Chu is responsible for the execution of all government orders and controls local and self-defense affairs. All the former maladministration was done away with, particularly in the selection of Chu chiefs. The Chu organization was duly enlarged and the fund increased; for the first grade Chu organ to $391 per month, for the second grade to $326, and for the third grade to $263. At the same time, the qualifications and standing of Chu chiefs and assistants were likewise improved with the Chu chief's tenure of office extended to three years and terminated only when found violating the law. He controls within his area peace and order, census taking, mass training, co-operative service, promotion of education, land regulation, conscription of labor, all reconstructive work pertaining to farming, river conservancy and road building and all such business as public sanitation, public safety, communications and financial affairs. At certain intervals, the magistrate is to make a tour of inspection to the various Chus in his hsien district.

Reorganization of the Peace Preservation Corps

As a preliminary step to the reorganization of the Peace Preservation Corps in Hupeh, Gen. Chiang Kai-shek recently promulgated regulations enjoining the correction of its name, the unification of its organization, the centralization of control, the clarification of its responsibility, the raising of funds, the examination of its arms and ammunition and the elimination of disabled members.

Based on the above regulations, reorganization of the Hupeh Peace Preservation Corps is being carried on in three stages. First they have to be unified under the control of Hsien Government and financed by a special hsien committee. The second step is to bring them under the control of the Special Administrative Areas (of which there are eleven). And finally they are all brought under the command of the Provincial Government, the Chairman of which becomes then ex-officio commander-in-chief of the provincial peace preservation Corps. A special fund control committee is to be established to take change of the financing of the entire corps in the province.

Every four months (which forms a period of strict training), one-third of the enlisted are allowed to retire and the vacancies filled by new ones. It, therefore, paves the way to the introduction of the conscription system.

During ordinary times, they are always to have six big corps of the Pao An Tui, a force sufficient for local protection and peace preservation purposes.

Hankow, June 25, 1935.

Foreign Trade of China in May Shows Heavy Adverse Balance

The monthly returns of the foreign trade of China, published by the Chinese Maritime Customs, show that the net imports for the month of May amounted to $96,131,841 and the net exports $40,781,995, leaving an excess of imports over exports valued at $55,349,846.

The value of China's net imports for the period January-May was $453,928,654 as compared with $483,590,423 in the similar period of 1934, and the value of exports during the same five months of 1935 was $218.140,427, whereas in 1934 it was $219,371,918. The unfavorable trade balance up to the end of May this year is therefore $235,788,227, as against $264,218,505 in 1934.

Chiaotung University Confers 321 Diplomas at 35th Graduation

Chiao-tung University held its 35th commencement excercises June 29 in the Wen-chi Memorial Hall, with President J. Usang Ly, in the chair.

The report of the President showed that the total of students registered at the University for the year is 1030, distributed at the Nanyang Colleges in Shanghai, 675, including 31 girls; at Tangshan College, 191, including 1 girl; and at Peiping College, 164, including 9 girls. There are 231 graduates this year and they are distributed as follows in Shanghai: College of Science, 11; College of Administration, 23, of which 3 are girls; School of Electrical Engineering, 29; School of Mechanical Engineering 31; School of Civil Engineering, 38; Tangshan College Civil Engineering 50, and Mining Engineering 6; and Peiping College, 33.

The College of Administration graduated five students in industrial administration for the first time in the history of the University and the School of Mechanical Engineering graduated 15 students in automobile engineering, also for the first time as a result of co-operation with the National Economic Council.

Besides purchases made with the University fund, the equipment of the several schools of engineering has been increased by outside donation. To the School of Mechanical Engineering was donated a Shaytype locomotive by the Peiping-Suiyuan Railway; a stoker model by the American Standard Stoker Co., and a 16 horse-power crude oil engine of the Sin Chung Engineering Co., made by Yien-Zian Chang, an alumnus of the University.

The National Economic Council donated $3,000 to the School of Civil Engineering for the purchase of soil testing apparatus. A set of chemigraphy is also donated by the Siemens China Co. to the School of Electrical Engineering. Donations of books to the University Library include a set of "Sze Pu Chien Pen" by the National Central Library and a collection of 472 volumes of books and magazines by Dr. W. S. Godshall of the Union College in America.

The university has purchased 79 mow of adjoining land to be added to the campus. The purchase of 120 more mow has also been arranged, the amount required being about $400,000.

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Nanking Cuts Appropriation for Primary Education

On the recommendation of Yu Yu-jen, President of the Control Yuan, the central authorities have decided to appropriate $500,000, during the 24th fiscal year (July 1, 1935-June 30, 1936), for the promotion of primary education and the training of teachers for the frontier provinces. In his original petition to the Central Government, President Yu recommended that a sum of $1,500,000 be earmarked in the budget for the 24th fiscal year for the assistance of primary and normal schools and the establishment of a scientific institute in the outlying provinces, but the Central Government ruled that a reduced sum be appropriated and that the establishment of a scientific institute be postponed in view of the general retrenchment policy.

Two measures designed to promote the education of workers were devised by the Nanking Municipal Association for the Promotion of the Welfare of Laborers at a meeting June 26. The Nanking Municipal Bureau of Social Affairs is to be petitioned to instruct all factories and stores in Nanking to provide educational facilities for their employees. The Bureau is also to be requested to open schools or offer courses for the education of non-factory workers, such as wharf-workers, ricsha-pullers, etc.

High Courts Are Ordered to Act Promptly in Criminal Cases

In a circular order to the High Courts throughout the country, the Ministry of Judicial Administration instructs that hereafter, whenever an investigation is ordered by the Ministry regarding the conduct of judges trying criminal cases or other matters regarding the trial of criminal cases, the Court concerned must conduct a prompt and thorough investigation and submit a detailed report to the Ministry.

The order points out that petitions have sometimes been received from litigants making allegations against the conduct of the trial judges or complaints concerning the trial of cases. In such cases, it has been the practice of the Ministry to order the Court concerned to make an investigation into the matter. Such orders however were not treated seriously, as the reports submitted by the Courts were mostly superficial and unsatisfactory, the order says.

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Shanghai Opium-Suppression Committee Is Sworn In at Kiangwan Civic Centre

The Opium-Suppression Committee of the Municipality of Greater Shanghai (organized by the City Government, pursuant to instructions from General Chiang Kai-shek) was inaugurated at a meeting held in the City Government building, Kiangwan Civic Center, July 1. The committee comprises seven members: Yu Ya-ching, local shipping magnate; Wang Hsiao-lai, chairman of the Provisional Board of City Counsellors; Tu Yueh-sen, president and general manager of the Chung Wai Bank; Dr. F. C. Yen, superintendent of the Red Cross Hospital; Wang I-ting, well-known philanthropist; Yu Tso-ting, chairman of the City Chamber of Commerce; and Wang Poh-chi, general manager of the *Sin Wan Pao*, Shanghai daily newspaper. They took the oath of office at the meeting. The committee is proceeding immediately with the registration of opium-smokers in Shanghai. The registration will be conducted in two stages. During the first three months, the committee will persuade local opium addicts to register. Registration during the second stage—October to December—will be compulsory.

Fourteen Red Pill Makers Arrested Near Canton After Pistol Battle

Fourteen men and women were arrested at Toishan in the Canton district June 27 on a charge of engaging in the secret manufacture of "red pills." They face a possible sentence of death. They were captured following a raid on their headquarters. The party resisted arrest and a pistol battle lasting a half-hour took place before they were overpowered by the police. Several of the prisoners were seriously injured during the encounter.

Control Yuan Presses for Impeachment Proceedings

Advices from Nanking state that the Control Yuan is pressing for the impeachment proceedings against five Government officials for their actions, which are alleged to be against the interests of the country. It is understood that the Control Yuan took strong exception towards their allegedly pro-Japanese attitude. The officials involved included General Huang Fu, chairman of the Peiping Political Affairs Readjustment Commission, Tang Yu-jen, vice-Minister of Foreign Affairs, Ying Tung, director of the Peiping-Liaoning Railway, Ying Yu-keng, special administrator of the Miyun-Chihsien district of the demilitarized zone, and Tao Shang-min, Special administrator of the Tangshan-Shanhaikwan area. There is no indication, however, that the National Government, will press any charges as enumerated by the Control Yuan.

Military and Police Make Huge Opium Seizure at Tientsin

Seven wooden cases containing 641½ kilograms of opium were discovered and seized in the luggage compartment of the 78th train of the Tientsin-Pukow Railway, after its arrival in Tientsin from Tsinan in the afternoon of June 25. The cases, of which the Customs officers had failed to enforce an inspection upon arrival, were forcibly opened by officers of the local Military and Police Inspection Bureau and the opium was found. A dispute subsequently arose between the T.P.R. Guards and the local Bureau of Public Safety over the disposal of the drug. The latter insisted on carrying it away to the Bureau, while the former refused to have it removed from the station. Later, the Headquarters of the Tientsin-Tangku Peace Preservation Force intervened and telegraphed to the Ministry of Railways, requesting that the seized drug be handed over to the Headquarters.

Siamese Mission Gets Cool Reception at Canton

Owing to the bitter sentiment aroused by the alleged mistreatment of Chinese nationals in Siam, the Siamese goodwill mission when it reached Canton last week received the coolest reception ever extended there to a group of foreign officials. No representatives of the provincial government or of public bodies were present at the railway-station to meet the mission, which includes 17 members of the Siamese Parliament. At the same time, the Canton evening newspapers gave considerable prominence to despatches describing the alleged repressive measures against Chinese taken by the Siamese government. They also renewed the agitation for a ban on the importation of Siamese rice into China.

Leader of League of Young Russians Arrested in Harbin

D. M. Dolmatoff, the representative of the League of Young Russians at Harbin, was arrested June 15 by the Japanese authorities without any accusation haivng been publicly made against him. As a result of his having gone on a hunger strike for four days he was set at liberty, but on June 29 he was again arrested. The League of Young Russians is an anti-Communist organization, but nevertheless it adopts the policy that it is not in the interest of Russians as a whole to organize against the Soviets and that is better to let time take its course in order to reach a better system of government in Russia.

Who's Who in China

蔡無忌

V. Tsai (Tsai Wu Chi)

V. Tsai, veterinarian and Government official; born at Peiping (Peking), in 1898; received his degrees of Ingenieur Agricole and Medecin Veterinaire from Ecole Nationale d'Agriculture de Grignon, France, in 1919, and Ecole Nationale Veterinaire d'Alfort, France, in 1924, respectively; became veterinarian, Municipaliate Francaise, Shanghai, 1926; dean, College of Agriculture, Central University, Nanking, 1927-28; Director, Nanking Slaughter House, Nanking, 1928; technical expert, Ministry of Agriculture and Mining, Nanking, and concurrently vice-commissioner of Agricultural Products Inspection Bureau, Shanghai, 1929-30; vice-commissioner, Shanghai Bureau of Inspection & Testing of Commercial Commodities, Shanghai, 1930-32; now Commissioner, Government Testing Bureau of Shanghai (formerly Shanghai Bureau of Inspection & Testing of Commercial Commodities), Ministry of Industry, and concurrently Principal, Shanghai Veterinary School, Shanghai; address: Government Testing Bureau of Shanghai, 1040 North Soochow Road, Shanghai.

蔡無忌，紹興人，一八九八年生於北平，法國國立格里濃農業學校，及法國國立阿爾福獸醫學校畢業，得有農業技師及獸醫師等學位。回國後，民十五年任上海法租界工部局獸醫，十六年任南京國立中央大學農學院院長，十七年兼任南京屠宰場場長，十八年任農礦部技正兼農產物檢查所副所長，十九年任實業部上海商品檢驗局副局長，二十一年升任局長，現仍任斯職，並兼任上海獸醫專科學校校長

Flood Again Threatens Yangtsze Valley ---More Rain Falls

Following heavy rains, there has been a steady rise in the waters of the Yangtsze river, and daily telegrams from Hankow report additional rises in the height of the water. On July 3 the water level at Hankow had reached 46 feet. At 47 feet the water will overlap the Bund at three places. Rain again began to fall during the night of July 3.

Besides the special engineering corps, the entire staff of the Hupei Provincial and Hankow Municipal Flood Prevention Committees has been despatched to the different sections of the river.

General Chiang Kai-shek, President of the Military Affairs Commission, has also instructed the Provincial Governments along the Yangtsze vally to take special precautions and report constantly on the state of the river.

According to a message from Wuhu, river port in eastern Anhwei, the Yangtsze rose several inches and flooded all the low-lying regions along the bank. Pei I-hsiang, Director of the Anhwei Provincial Hydraulic Engineering Bureau, arrived in Wuhu early this week from Anking, provincial capital, to inspect the situation,

Most of the low-lying areas in the districts of Changteh and Yuankfang, in northern Hunan, have been converted into sheets of water in consequence of the rise of the Yuan River, near the Tung Ting Hu (lake), after days of rainfall.

A serious flood situation is threatening east Chekiang where vast tracts of farm land are inundated as the result of heavy downpours during several days preceding June 26.

Flood Threatens as Four Hunan Rivers Rise

Reports from Changsha state that the water in four large rivers in Hunan, namely the Hsiang Kiang, Tsu Kiang, Yuan Kiang and Li Shui have risen greadly as a consequence of heavy rains. Practically the entire length of the highway linking Changsha with Changteh, a distance of about 170 kilometers, is under water, thus paralysing motor traffic in this part of the province.

亞林沙而

為褐色澄明之濃液含有百分之五十 CRESOL 殺菌力非常準確偉大誠可供醫院……一切用具之消毒以及治療皮膚諸症。

家庭……洗滌衣被噴洒房室消毒防疫裨益衛生。

人體……常用浴能增強皮膚抵抗病菌。

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Men and Events

The Ministry of Foreign Affairs, in order to reduce expenses, dropped more than a dozen members of its staff July 1.

The Reich Government June 26 adopted a bill introducing more rigorous provisions in the clauses of the German penal code punishing unnatural vices with prison terms.

M. Bogomoloff, Soviet Ambassador to China, arrived back in Shanghai end of last week from Nanking and after a few days' stay he was scheduled to return again to Nanking.

The Board of Trustees in charge of the British Boxer Indemnity Refund, in a recent telegram to the Shensi Provincial Government, stated that it has decided to appropriate a grant of $10,000 to the Shensi Midwifery School.

Captain Ho Pei-yuan, assistant military attache of the Chinese Embassy in Washington was taken the Garfield Hospital June 30 suffering from severe back injuries received in a motor accident on the Maryland highway.

Dr. Cheng Tien-fang, the newly appointed first Chinese Ambassador to Germany, was the guest of honor at a farewell party given jointly by the German, Austrian and Swiss Returned Students Clubs at the German Returned Students Club in Nanking July 1.

Dr. C. T. Wang, formerly Minister of Foreign Affairs, and family proceeded to Tsingtao end of last week for a summer vacation. Following a few days' stay at the northern port, Dr. Wang is scheduled to leave for Peiping to attend to affairs of the University of China.

Four armed robbers were killed and a Chinese detective of the Shanghai Municipal Police wounded in the thigh, during the night of July 2, in a gun battle between armed robbers and detectives of Yulin Road Station, in the course of a raid on a lair in Pingliang Road.

Capt. E. M. Allison, Operations Manager for the China National Aviation Corporation, with Mrs. Allison returned to Shanghai in the *President Hoover* this week, after having spent five months on leave. While in America Mr. Allison flew more than 15,000 miles.

A gala luncheon was given in Brussels July 1 at the Chinese Legation by Dr. Lin Chi-han, the Chinese Charge d'Affaires in Belgium, to celebrate the recent ordination at the Abbey of St. Andre of the Reverend Father Pierre Celestin Lu Tseng-tsiang, one-time Premier and Foreign Minister of China.

Chao Hui-min, Court Recorder of the Third Civil District Court of the Hopei High Court, leapt to his death from the Kuo Min Hotel in the French Concession at 3 o'clock June 29. He had recently been ordered transferred to a district court in Paotingfu, his new post bringing him a smaller salary.

A sum of approximately $475 was taken from the box office of the Paris Theatre on Avenue Joffre in Shanghai by a foreign hold-up man who stalked into the premises on June 29 at 9.30 p.m., shortly after the commencement of the final show, held up the Chinese cashier at the point of a gun and grabbed the evening's takings.

The Ministry of Railways has enjoined the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railway Administrations to study and report on the projected linking up of the Shanghai-Hangchow-Ningpo and the Soochow-Kashing Railways at Kashing, northern Chekiang, and the double-tracking of the rails at Kashing Station.

Wang Ching-wei, President of the Executive Yuan, has entered Dr. Noll's Hospital in Shanghai to receive treatment for inflammation of the gall bladder. A bulletin issued by Dr. Noll stated that Mr. Wang is suffering from a relapse of his old ailment due to insufficient convalescence during his last illness early in the spring this year.

The death occurred in Hongkong June 1 of C. F. Gambell, agent for the Dollar Steamship Line at Canton, following injuries to his head received in a swimming pool at Shameen. The accident occurred when Mr. Gambell dove into the shallow water at the end of the pool and struck his head on the bottom of the concrete structure.

The petition of the Shanghai Mercantile Shipping Guild for the flotation of a loan of ten million dollars for relief of the shipping industry has been turned down by the Ministry of Finance. In a reply to the Guild, the Ministry stated that it is at present impracticable to raise the necessary sinking fund for such a loan; measures of relief should be devised by the shipping companies themselves.

Chang Chin-ho, private belonging to the 83rd Division of the Government Army at Foochow, was stabbed to death by a Formosan by the name of Kiang Chao-yung in said city June 30. As soon as the incident occurred, officers of the Bureau of Public Safety started a hunt for the murderer and succeeded in tracking him down. Following the arrest, Kiang was handed over to the Japanese Consular Police for trial and punishment.

Railway guards are stationed around the North Station in Shanghai to prevent disturbances by ricsha pullers in Chapei who are demonstrating against the monopoly granted the San Sin Company to provide incoming railway passengers with public ricshas at a fixed scale of fares.

Major H. Brown, British telephone expert, will arrive in Shanghai August 11. The Japanese expert is expected to arrive sometime earlier than the date set for the appearance of the British expert. Other members of the committee have as yet not been named, but it is reported that an American and a Chinese will also be included in the group which will meet here in the early autumn.

Henry F. Misselwitz, New York night cable editor of the *United Press* in Paris, was found unconscious on the sidewalk July 1 suffering from a fractured skull. His watch and money were missing. Mr. Misselwitz served in Shanghai from 1927 until 1929 for the *United Press* and the *New York Times*. The Paris police have arrested one Alexander Rossi, who is being held on suspicion of assault and robbery.

The *Shanghai Mainichi* of June 30 stated:—"Miss Wang Yin, a movie star, who was arrested with Yuan Chao-yi by the Blue Shirts was released a few days ago. Miss Wang was arrested together with Yuan on May 20 and was detained in the Woosung-Shanghai Garrison Headquarters. In the early part of June, they were released. In the middle of June, they were arrested again on charges of being pro-Japanese."

A bronze statue of General Chiang Kai-shek, President of the Military Affairs Commission, erected with funds contributed by the various public bodies in the Wuhan cities as a tribute to the high services of General Chiang in the pacification of Hupeh from Communist and bandits disturbances, was formally unveiled in Hankow July 1 in the presence of a large gathering of the local party, government, and military officials.

Staff members of the motion picture section of the Political Training Division of the Generalissimo's Provisional Headquarters at Wuchang, who have been commissioned to "shoot" scenes of the anti-Communist campaign in Szechuan under the personal direction of Generalissimo Chiang Kai-shek, returned to Hankow last week. A part of the group will leave for Shensi and Kansu shortly to make pictures of general developments in those two provinces.

At a recent meeting, the board of management of the Ricsha Pullers' Mutual Aid Association discussed the question how best its members, numbering at least 40,000, can be adequately served during the summer months. It was decided that more public tea urns should be installed during the summer months, that cholera drops should be freely provided and distributed and that sanitary but inexpensive bath facilities be provided for pullers living in the Chapei and Nantao Districts in addition to those already in use elsewhere.

Discoveries made by police investigators end of last week resulted in the uncovering of a local Chinese organization for the manufacture and bottling of whisky which was intended for sale in Shanghai under the name and trade mark of a proprietary brand of Scotch whisky. The police located the bottling plant of this "distillery" and seized no less than 300 empty bottles ready for filling with prime-colored liquid contained in earthenware tub. The bottling machinery also came into the possession of detectives. Five Chinese have been arrested in connection with the discoveries. The foreigner alleged to be behind the business is said to be in Japan at the present time.

Hult Hulsman, at 28-year old German who holds doctor's degrees in philosophy and ethnology from six universities, is due in Shanghai from Japan next week as a third-class passenger on a Japanese-ship, the ticket for which cost him Yen 14. This German scientist arrived in Japan on March 18, and has been tramping all over the counry, sleeping in the fields and eating what the hospitable peasants gave him. Since the middle or last month he lived at the Yawakatan, a hotel for the "down and outs" in Tokyo, on 20 sen a day.

Shanghai Telephone Co. Reports $497,789 Income in 1934

The Shanghai Telephone Company, which is a subsidiary of the International Telephone and Telegraph Corporation, reports a net income of $497,789.25 as compared with a loss of $195,427.26 reported for 1933. According to the report, revenues and expenditures in 1934 were greater than those of 1933. Operating revenues in 1934 were $6,636,838; in 1933, $5,720,877; the 1934 figure showing an increase of $915,961. Similarly, operating expenses in 1934 were $4,395,681; in 1933, $3,947,015; the 1934 figures showing an increase of $448,665.

Net earnings from operations in 1933 were $1,773,862 while in 1934 the net earnings increased to $2,241,157. The profit on foreign exchange in 1934 was $35,698. Net interest reductions in 1934 totalled $1,790,668, a decrease of $209,860 as compared in with 1933. The provision for depreciation in 1934 amounted to $1,597,007 as compared with $1,478,071 in 1933.

Publisher of Chinese Weekly Summoned for Aspersions on Japanese Emperor

Accused of having published in his magazine an article allegedly unfavorable to the Japanese Emperor, Doo Tsoong-yuen, publisher of the *New Life Weekly*, a Chinese language magazine with offices in Foochow Road, was summoned before the Second Branch Kiangsu High Court, in Shanghai, July 2 for preliminary inquiries by a Procurator. At the conclusion of the inquiry, the Procurator said that he would have the publisher prosecuted and ordered him to furnish $500 cash security in addition to a guarantee that he would appear before the Court whenever required.

Besides the punishment of the publisher and editor, the Japanese demand the suspension of the magazine and a guarantee against a recurrence of similar incidents in the future. The article complained of was entitled "Gossip about Emperors," and dwelt in detail on the political system of Japan and touched on the Japanese Imperial Household.

The *China Press* several days ago mentioned that the *New Life* magazine, formerly subsidized by General Chang Hsueh-liang, had been taken over by the Shanghai District Association, the successor of the Northeast Volunteer Army Maintenance Association. The association was dissolved during the suppression of anti-Japanese activities by the Chinese Government. Tu Yueh-sen, it was stated, has been its chairman since its reorganization.

Details of Chinese Railway Improvements Given at Tiffin Welcoming Huang Pe-tsian

Details of Chinese railway improvements were given at a staff tiffin party of the N. S. R. and S. H. N. R. Administration, held in the New Asia Hotel, June 29, when a large number of senior officers and staff members assembled to welcome Huang Pe-tsian, the Managing Director, on his return from his trip of observation of railways in Japan, America, and Europe.

Dr. Shao-tseng Wu, the Associate Managing Director, in a brief address stated that the total operating revenues of the two railways last year amounted to $21,980,000 approximately, which was slightly below the highest record of $22,420,000 established in 1931, but represented an increase of $144,000 as compared with 1933. If the N. S. R. was considered separately, its operating revenue of 1934 surpassed the previous highest record in 1931, the figure for 1931 being $15,040,000, and that for last year $15,210,000. The operating revenues of the two railways in the first five months of the present year amounted to about $9,500,000, representing an increase of about $34,000 compared with the corresponding five months of last year. As a result of the accentuation of depression in various localities, the earnings of the two railways decreased sharply in June. Recovery hardly could be expected in the immediate future and stringent economy must be exercised in all directions to cope with this contingency.

P.U.M.C. Charged with Lack of Medical Skill

The case of Raider v. the Peking Union Medical College was opened in Peiping, July 2 in the U. S. Court for China. Harry Raider, in evidence, alleged that the treatment accorded his wife at the Union Medical College was incompetent and that there was a lack of medical skill, which resulted in her death. He alleged that, after an operation at the Peking Union Medical College, lasting three hours, he was informed that the cancerous cells had been removed and that there was every prospect of his wife's recovery. The witness said he was led to believe that the operation was conducted by a qualified expert, whereas he subsequently learned that it was conducted by a man in whom he had not any confidence.

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In the United States Court for China

POLINA KREISCHER, by the first marriage FEDOROVO born RZERBENAZE Plaintiff, vs. CHARLES WALTER KREISCHER Defendant.	Cause No. 3889 Civil No. 1824 ORDER Filed at Shanghai, China June 22, 1935. William T. Collins, Clerk, L. T. Kenake, Asst. clerk.

The object of this suit is an action for Divorce:

WHEREAS, plaintiff herein, by her attorneys, has this 22nd day of June, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 22nd day of June, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 21st day of June, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since the last five year, and that defendant's last known address was Norfolk, Virginia, U. S. A.

NOW, THEREFORE, it is this 22nd day of June, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 13th day of July, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 22nd day of June, 1935.

MILTON J. HELMICK,

Judge.

New Books of Interest in the Far East

The Progress of Education in China

The History of Modern Education in China, by Theodore E. Hsiao, Ph. D. Director of the Department of Foreign Languages, The National University of Peking. Commerical Press, Ltd. Shanghai, 1935. 145 *pages, bibliography, index.*

This is a study of modern education in China in which one might well ask for a more logical development of theme. The author, in his preface, says his study is "an attempt to show how the Chinese educational system has been evolved during the last decades." Yet there is a complete divorce of the various streams of influence which led to the modernization of state education, with the result that one gets no unified picture of the forces of the nineteenth century building up of the educational systems of today. The extremely nationalistic viewpoint has resulted in the complete omission of all mission education and its influences from the section on The Rise of Modern Education. It is patent to the most superficial observer that the influence of Christian education in China has been quite marked, were one to consider only middle schools, colleges, medical schools, education for girls and women, or coeducation.

An example of this inadequate correlation may be seen in the matter of education for girls. Page 47 gives the author's first reference to the movement for women's education. Here is descussed Liang Chi Chao's articles of 1897, followed in the same year by the founding of what would seem to be the first girls's school in Shanghai by Kan Kuang-jen, one of the six martyrs of 1898. The Educational Commission emphatically declared in 1903 that it was too early to attempt opening schools for girls. From this section one would conclude that school education was not available for girls until 1907. Finally one discovers in the section on Christian education (page 113) that the first school for girls was opened in Ningpo in 1844 by an English woman, Miss Aldersey, and that before 1873 schools for girls were existing in Shanghai, Foochow, Canton, Amoy, Kiukiang, Peking and Tientsin. The great edict of March 1907 for emancipation in woman's education was preceded in 1905 by the founding of Yenching Women's College by Miss Luella Miner.

The last chapter in the book, New China in the Making, is a resume of the forces which are expressing themselves in "The Student Movement", "The New Thought Movement" and "The New Literature Movement". Here is made a statement which would seem to place Christian influences in an important place in the development of education, although the arrangement of the book as a whole ignores this influence.

"This general awakening is also marked by widespread propaganda; largely through the new vernacular as a vehicle of expression, modern educational methods, scientific inquiry, and freedom of thought and speech. To be sure, the pioneer propagandist was the Christian preacher, the pioneer agency the mission press, the pioneer vernacular book the Bible, the pioneer scientists the Christian astronomers of the seventeenth and eighteenth and the Christian physicians of the nineteenth centuries; and last but not least, the pioneers of freedom of belief were those humble Chinese Christians scattered throught the country, who at no small cost to themselves and often in the teeth of persecution and peril, dared to take their stand along with the reformers and martyrs of other ages, for the sanctity of conscience. They were more than any other the forerunners of that liberty of conscience which, whether used or abused, is at the very heart of the intellectual awakening of today."

This is a fine tribute to the Christian influence in Chinese education. The reviewer's only criticism is that the implication is ignored in the instances already cited.

The chapter on imperial education used as an introducation to the main body of the book traces the educational system in China back to the legendary rulers Yao and Shun. Beginning with the early reform movements which resulted in 1887 in the introduction of mathematics and science into the imperial examinations, Dr. Hsiao has followed the reforms and organization of the school systems up to the present day.

F. N. R.

A Mordant Analysis of the Puppet State

*The Puppet State of Manchukuo.—China Today Series No.*4, *Edited by T'ang Leang-Li. China United Press,* 299 *Szechuen Road, Shanghai.* 1935. *Cloth.* $6.00,*Chinese Currency, postage* 40 *cents.*

None will deny that T'ang Leang-Li has a mordant, competent pen, of which the title of the present book is suggestive. It is worth bearing in mind incidentally that "shadow" government has been a characteristic of Japanese political history through many centuries and has succeeded for long periods of time. The book is an avowed presentation of China's case against Japanese. Its chapters deal with the Japanese invasion of Manchuria, recognition of "Manchukuo", the Manchuria issues between China and Japan, the Wanpaoshan Affair, relative interests of China and Japan in Manchuria, Japanese hegemony in Asia, and there are several chapters on the existing regime in Manchukuo. Fully one-third of the book is devoted to appendices, including an address by Secreatry Stimson on the Pact of Paris (emphasizing the principle that "consultation between the signatories of the Pact when faced with the threat of its violation becomes inevitable."), the Nine Power Treaty of Washington, an alleged secret memorandum of Baron Goto of the year 1916, and the "Tanaka Memorial".

The legal aspect of China's case has been so well upheld in the Report of the League Commission of Inquiry and in the shorter Report of the League Committee of Nineteen, that no further statement of it is needed if one will read those reports. The subject of "parallel railways" is however better explained in Mr. T'ang's book than the reviewer has seen it explained elsewhere. China never signed a "secret treaty" whereby she agreed not to build parallel railways to the South Manchuria Railway. She clearly assumed a kin of obligation in this matter, as indicated by the *minutes* of the negotiations of Dec. 4, 1905, which preceded the siging of the Treaty of Dec. 22 of that year. But the minutes also indicate that China pressed for a clear definition of "parallel railways", which the Japanese negotiators were unwilling to give. Certainly Japan was not justified in reserving to herself the right to interpret this understanding as she saw fit; for she had also undertaken not to obstruct China's railway development of Manchuria.

The future status of Manchuria will be determined by a considerable number of influences, of which recognition or non-recongition by the European nations and the United States will be an important item. The League of Nations, with 42 nations voting, by a resulution of Feb. 24, 1933, took the stand of non-recognition. The United States, in the Stimson note of January 8, 1932 to China and Japan, made a direct statement of intention not to recognize the existing regime in Manchuria. Nor are such policies likely to change so long as China by her own policy, domestic and foreign, continues to justify the good faith which the Nanking government has earned for itself.

We are witnessing now what is called a *rapprochement* (pleasant word of diplomats) between Japan and China, not unpunctuated by the swashbuckling methods of certain Japanese army leaders who seem to disapprove of the more peaceful methods of their country's foreign office. China will lose nothing by welcoming such overtures, even while she holds to the legal and moral principles so ably presented in Mr. T'ang's book. The ultimate status of Manchuria will not be made better by a war; none can wish to see such an attempt made to settle it. Nor is Manchuria the only issue between Japan and China. Too often in the past China's fault has been an obstructiveness in foreign relations, a form of resistance which has harmed herself most of all. The present period need not be one of armed truce. Japan can be taught to realize that China's existing and potential markets will be largely hers if she respects China's ntaional unity. Under these conditions time will be on China's side.

D. R.

June 1, 1935.

National Child Welfare Association Publishes Handbook

The National Child Welfare Association of China, which is headed by Dr. H. H. Kung, has issued a handbook for 1935, which contains among other things a resume of the association, how it begin in 1928, under the leadership of Dr. Kung, and the purpose of the organization. This was prepared by Jabin Hsu, general secretary. The program of the association, as it is carried out in all parts of China is summarized. Projects of the association include a five-year plan on child welfare work, relief work among children during famine, extensive work on child protection, child relief, child health, and child education.

Mrs. Charles Lindbergh Writes Book on Trip to Far East

Harcourt, Brace and Company announce that they will shortly publish a book by Anne Morrow Lindbergh, wife of Colonel Charles Lindbergh, under the title of "North to the Orient." It is a travel narrative describing the flight which Colonel and Mrs. Lindbergh made to the Orient, in the summer of 1931, by the Great Circle Route, which took them from New York and Maine, by way of Baker Lake and Point Barrow, to Alaska, and then down to Siberia, Japan and China.

"An Outline of the Mitsubishi Interests"

With the above title, the Mitsu Bishi Goshi, with head Offices in Tokyo (Shanghai Office, 9 Canton Road), has issued a 64-page illustrated brochure describing the various activities in which this huge "trust" is interested. Its various subsidiaries are engaged in almost every conceivable sort of enterprise, for example, shipbuilding, airplanes, locomotives, electrical appliances, bridges, stevedoring, warehousing, chemical works, fertilizers, coal mining, oil refining, etc. The main Mitsuibishi organization also owns the Mitsubishi Bank with a capital of a hundred million yen.

Eurasia Aviation Corporation to Extend Its Service in Northwest

Beginning July 8, an additional air passenger and mail service will be run by the Eurasia Aviation Corporation along the Shensi-Lanchow and Lanchow-Paotao sections of the northwest line in order to relieve the existing congestion of passenger transportation. With the additional service, the Eurasia Corporation will henceforth maintain two trips along these two sections every week.

Spain Appropriates 13,000,000 Pesetas for Aviation

The sum of 13,000,000 pesetas have been placed at the disposal of the Spanish military aviation authorities for the purchase of 50 fighting planes of the English "Hawker Superfury" type.

Japanese Pilot Meets Death Waving Greetings to Sweetheart

A pilor of the Japan Air Transport Company was killed instantly when his plane crashed into a house at Takehanacho, in Gifu prefecture, recently. The indications were he purposely flew low in order to wave greetings to his sweetheart.. The machine burst into flames immediately after the impact, and the blaz spread to five other houses, completely destroying them. The pilot, Toru Shichi, is said to have been in the habit of flying low whenever passing his sweetheart's village.

American Delegate Coming to Investigate Chinese Silver Situation

James A. Moffett, head of the Federal Housing Corporation, has been selected by President Roosevelt to make a semi-official (or "purely informal") study of the effect of America's silver policy on China. It is reported from Washington that Mr. Moffett went to the President recently with plans for a vacation cruise to China. During their discussion, the Chief Executive suggested that, while in China, Mr. Moffett should observe conditions and report to him afterwards. Mr. Moffett will conduct his investigations in a purely semi-official manner. Although he is not a silver expert, Mr. Moffett is regarded as a clever business man and an authority on Chinese problems.

Silver Sent to Hankow to Stabilize Money Market

In order to stabilize the Hankow money market, the Bank of China, the Bank of Communications and the Shanghai Commercial and Savings Bank have arranged for the transportation of $5,000,000 in silver from Shanghai.

160,000 Ounces of Silver Shipped to America by C. P. R. "Empress of Russia"

According to information from local shipping circles, 160,000 ounces of silver are on board of the Candian-Pacific liner, the *Empress Russia*, now eastward bound on the Pacific. This huge mass of the white metal, it is learned, was purchased in Hongkong by an American bank and is now on its way to the United States.

Senator Thomas Asks President Roosevelt to Carry Out Silver Policy Fully

Senator Thomas announced June 28 that 34 Senators had signed a petition to President Roosevelt asking that the silver policy of the administration be carried out fully.

U. S. Treasury Hurries Completion of Huge Gold Vault in Kentucky

The United States Department of the Treasury has been given orders to hasten the construction of a secret subterranean gold storehouse, which is being built in the very center of Fort Knox, the military post near Louisville, Kentucky. According to the government's command, which is reported from reliable official sources, construction of the new gold cellar is to be completed by August 1.

The U. S. Government is stated to be anxious to remove all of its available supplies of the yellow metal from the coast cities to the very heart of the country, for it is learned that the gold for which the vault is destined will be taken largely from New York and Philadelphia, whose banks store the larger part of the Treasury gold reserves.

Amoy Customs Adopts Drastic Steps Against Smugglers

The Customs authorities at Amoy have decided that any ship held for smuggling will be destroyed by fire. This drastic step is deemed necessary, an official of the Amoy Customs house declared, in view of the fact that owing to heavy smuggling, Customs revenue has decreased by over $1,000,000 during the January-April period as compared with the corresponding period last year.

In the United States Court for China

In re.
LAST WILL AND TESTAMENT
of
JAMES RICHARD WILKINSON
Deceased

Cause No. 3886
S. P. No. 1024
NOTICE
Filed at Shanghai, China
June 19, 1935.
William T. Collins, Clerk
of the United States Court
for China
L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JAMES RICHARD WILKINSON, deceased, to present the same with vouchers to the undersigned on or before December 22, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

ANNIE B. WILKINSON
Wilkinson Hospital,
Soochow, China.

Shanghai, China
June 19, 1935.

In the United States Court for China

In re.
Estate
of
ANNA KRATZER,
Deceased

Cause No. 3890
Special Proceedings
No. 1025.
NOTICE
Filed at Shanghai, China,
June 24, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ANNA KRATZER, deceased, to present the same with vouchers to the undersigned on or before December 29, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

HERBERT M. GRIFFIN,
Special Administrator,
c/o China Inland Mission,
Shanghai, China.

Shanghai, China.

Defence of Philippines Presents Difficult Problem

One of the most perplexing military problems in the World today is how the Filipinos can defend themselves in the event of foreign aggression after they become an independent state, writes the *United Press* Staff Correspondent at Washington.

From apparently reliable reports, evidently starting in Manila, it is learned that General Douglas MacArthur, present United States Chief of Staff, will be offered the job of devising a system of defense for the Philippine Islands if Senor Quezon is elected President of the commonwealth.

Many qualified United States naval officers are of the opinion that the United States could not defend the Philippine Islands in the event of a Pacific war because of the distance from home bases. However, many experts disagree on whether or not the Philippine Islands, even though properly equipped, could defend themselves.

There is a great deal of opinion that should Japan attempt to dominate the Philippine Commonwealth either by infiltration or by commercial activity or inclusion within the score of the so-called Asiatic Monroe Doctrine, that Great Britain would actively oppose Japan. This British opposition would be generated for both commercial and military reasons.

It is recalled that Senator Ernest W. Gibson from Vermont, after visiting the Philippine Islands, reported that a situation may be created by the United States withdrawal from the Philippine Islands which would bring Japan and Great Britain face to face in the Philippines. The only solution, then, may be to force a secret treaty to delimit the different spheres of influence in the control of Philippine trade."

Eighty-Seven Filipino Sakdalistas Given Prison Terms for Taking Part in Revolt

An echo of the revolt in the Philippine Islands last May was heard in Manila June 28 when sentences ranging from two to seventeen years' imprisonment were passed on 87 Sakdalistas (Radicals), convicted of taking part in the rebellion. Over 50 persons lost their lives during the uprising, which, although of short duration, was one of the most violent in the recent history of the Philippines.

Japan Refuses to Curb Exports to Philippine Islands

The Japanese Federation of Cotton Spinners and the Guild of Cotton Textile Exporters June 28 formally declined the request of the United States' Government for a curb on the exports of cotton cloth to the Philippine Islands.

The decision was immediately communicated to the Foreign Office for transmission to Washington.

The action of the two bodies follows a similar step on the part of various exporters' organizations, which on June 11 also turned down the American request.

The Washington Government's move was taken, according to reports received from the United States, at the instance of American exporters, who found it difficult to compete with Japanese goods in the islands. The Japanese organizations based their refusal on the reported intention of the Washington administration to raise duties on Japanese goods entering the Philippines.

Protection Sought for U.S. Exports to P.I.

Steps designed to protect the imports of American cotton goods into the Philippines against the competition of a "foreign country" were asked in a resolution submitted to the United States Senate on 26. The resolution urges the President to instruct Frank Murphy, Governor-General of the Islands, to take the necessary protective measures before the adjournment of the present session of the Philippines' Legislature. The bill charged that a sharp decline in the exports of American cotton textiles to the Islands was caused by the competition of similar goods produced in a "foreign country."

U. S. Treasury Shows Deficit for Fiscal Year of Three and-a-Half Billion Dollars

The U. S. Treasury closed its books for the fiscal year ending June 29 with a deficit of nearly $3,500,000,000. Expenditures exceeded revenues by $3,473,000,000 compared with $3,881,000,000 for all but two days of the last fiscal year. Total expenditures amounted to $7,258,000,000 as against $8,581,000,000, while revenues totalled $3,735,000,000.

One American Killed Every Seventeen Minutes by Motor Cars

Automobile accidents claimed the life of an American citizen every seventeen minutes during April, the National Safety Council has disclosed. The Council estimated the total of deaths for the months at 2,480, the total to date for 1935 being 9,540. Los Angeles reported the most fatalities per capita. Thirty six persons met death on the city's boulevards, setting a rate of 36.3 per 100,000. In New York, only 81 died in accidents, or 10.1 per 100,000.

Roosevelt Wants Legislation to Bar "Gold" Suits

Legislation designed to safeguard the new monetary system and to eliminate the right of holders of gold-clause Government bonds to sue for payment in gold or undervalued dollars was urged by President Roosevelt in a special message sent to Congress June 27.

President's Public Utilities Bill Defeated by House of Representatives

President Roosevelt was defeated July 1 in the House of Representatives by 216 to 146 votes, on the Public Utilities Bill, The New York *Herald Tribune* declared the President received a rebuke which he had invited and deserved.

U. S. Federal Employees Draw $1,500,000,000

The U. S. Civil Service Commission reported July 2 that Federal employees now number 712,112, the greatest number in 17 years. The total pyroll of this army of civil servants is placed at U. S. $1,500,000,000 annually.

President Roosevelt Receives Wilfrid Fleisher

President Roosevelt June 26 received Wilfrid Fleisher, managing editor of *The Japan Advertiser*, American newspaper published in Tokyo. They discussed the situation in the Far East for half an hour.

Nephew of Chief Justice Hughes Murdered in Detroit

Howard Dickinson, wealthy New York City lawyer and nephew of Chief Justice Hughes, was murdered in a lonely park on the outskirts of Detroit during the night of June 28.

Prominent Japanese Newspaper Prints "Faked" Chinese Document

While both the Chinese and Japanese authorities are striving their best to bring about friendlier relations between the two countries, a spokesman of the Peiping Branch Military Council pointed out in Peiping July 1 that certain elements in the Island Empire are trying to stir up ill-feelings between China and Japan. In their June 22 issues, the spokesman revealed, the Tokyo *Nichi Nichi* and the Osaka *Maichichi*, two of the leading newspapers in Japan, printed a "cut" reproduced from a faked mandate of the Peiping Branch Military Council alleging that the Council authorized the Northeastern Office of the Organization Department of the Central Kuomintang Headquarters to direct the activities of all the patriotic organizations in China.

Interviewed regarding the matter, the spokesman of the Council stated that the reproduced mandate itself is proof that it was faked and that it was the work of certain elements with the object of instigating trouble between China and Japan.

In the first place, the spokesman said, the reproduced mandate bears the seal of the Council dated March 25, 1935, but the name of the organization in question was changed from Organization Department (Chu Chih Pu) to that of Organization Committee (Chu Chih Wei Yuan Hui).

The fact that a mandate, supposed to be one issued by the Peiping Branch Military Council on March 25, 1935, uses the name of an organization that has been changed since 1931, according to the spokesman, proves that the mandate was faked.

In the second place, the spokesman continued, there is no such organization as the Northeastern office of the Organization Department of the Central Kuomintang Headquarters.

HEALTH PROBLEMS

of The 'Foreign' Child In The Far East.

In the tropical East, as well as in China with its climatic extremes, parents are often troubled with problems relating to their children's health.

The question of diet, for instance, is constantly cropping up. Many young mothers cannot feed their infants, and have to resort to cow's milk or milk products, unsatisfactory substitutes usually, and often, whilst suitable for one child, quite unsuitable for another.

With older children there is always the danger of food contamination, either at time of purchase, or through servants' uncleanliness or neglect.

To meet such cases, and to counteract such dangers, Baby's Own Tablets were introduced to the Far East from Canada, their home, and since then the difficulties of the young mother have materially decreased. For these Tablets are especially devised to correct infantile indigestion, colic, wind, and bowel troubles. Furthermore, administered to children at the first signs of up-set, they quickly, yet gently, cleanse the stomach and intestinal tract of all impurities, allay feverishness, relieve diarrhoea, expel worms, if any. At teething time they act almost as if by magic, in assisting nature and in banishing pain. Of all chemists.

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The National City Bank of New York, Rates of Exchange

Shanghai, July 3, 1935

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.56
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.52
Demand selling rate on London:	£1.0.0=Sh. $12.59
Demand buying rate on London:	£1.0.0=Sh. $12.42

Latest New York Stock Exchange Quotations

July 3, 1935
Business Done:-
Total Volume: 1,200,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale July 1	Last Sale July 2
144	90¼	4.00	American Can	138	138½
22½	14⅝	0.40	Amer. Cyanamid "B"	21½	21¾
13⅜	2	—	American & For. Power	4⅛	4¼
28⅝	9¼	—	American Locomotive	13½	13¾
17⅝	10	—	American Radiator	14⅜	14⅞
51¼	30⅛	—	American Smelting	41⅛	41¼
130	99¼	9.00	American Tel. & Tel.	125	126½
93¾	67	5.00	American Tobacco "B"	91¾	93
27⅝	7¼	0.80	American Waterworks	12½	10¾
17⅜	8	—	Anaconda Copper	13⅝	14⅜
73¾	36½	2.00	Atchison, T. & S. Fe	48¼	47¾
35¼	21½	1.00	Atlantic Refining	26¼	26
57⅝	15	—	Auburn	23¼	22⅝
34½	7⅝	—	Baltimore & Ohio	11¼	10¾
23⅞	9⅝	—	Bendix Aviation	15	14⅜
49½	22½	—	Bethlehem Steel	27	26½
11¼	6⅜	—	Boeing Airplane Co.,	7⅝	7¼
28¼	19⅝	1.60	Borden Co.	24⅞	25⅛
40⅝	16¼	1.50	Borg Warner	40½	40¼
18¾	9⅞	—	Canadian Pacific Railway	10¼	10⅛
88¾	35	—	Case, J. I.	57½	56¼
49¾	23	1.00	Caterpillar Tr.	48¼	48½
40¾	15⅞	1.40	Chase National Bank	25⅝	27
48¾	37⅛	2.80	Chesapeake & Ohio	43¼	44⅛
60⅝	29¼	1.00	Chrysler	48⅝	48½
19¼	3⅝	—	Columbia Gas & Electric	7⅛	7⅝
36⅝	15⅝	0.60	Coml. Solvents	19¾	19⅝
3⅝	0⅝	—	Commonwealth & Southern (ord.)	1½	1⅝
47⅝	16¼	1.00	Consolidated Gas of N. Y.	26	26⅛
23	15½	0.50	Contin-ntal Oil	21¼	21½
84¼	55½	3.00	Corn Products	74⅝	75⅞
9⅝	3⅝	—	Coty Inc.	4⅛	4½
28½	14½	—	Douglas Aircraft	25½	25
105	80	2.60	Du Pont de Nemours	102	102¼
23½	3⅝	—	Electric Bond & Share	7⅞	8½
17½	8¼	—	Fox Film "A"	14⅜	14½
26½	16⅞	0.60	General Electric	25⅜	25¾
37½	28	1.80	General Foods	36⅝	36⅞
42	24⅝	1.00	General Motors	32⅞	32½
23	14¼	1.20	Gold Dust	17	16⅞
41⅝	16	—	Goodyear Tire & Rubber	18⅝	18⅛
37⅝	18⅜	0.25	International Cement	29⅝	29¼
29¼	21	0.60	International Nickel	27	27
17⅝	5⅜	—	International Tel. & Tel.	10⅛	9⅝
66¾	39	0.25	Johns Manville	52¾	53
23¼	14	0.60	Kennecott	17	17⅜
42¼	20⅜	2.00	Loew's Inc.	41¼	41⅜
22¼	15⅜	1.20	Lorillard	20⅜	20⅞
35⅝	20	—	Montgomery Ward	27¾	27½
49½	22¼	1.60	Nat. Biscuit	29⅜	29
43	16⅞	1.00	National City Bank	25	26⅛
18⅜	13	1.20	National Dairy Prods.	16½	16⅛
31⅜	16	2.00	National Distillers	26⅞	26⅝
15¼	5	0.80	National Power & Lt.	9	9½
45¼	12¼	—	New York Central	17⅜	16⅝
26¼	9¼	1.00	North American	17½	18⅛
25½	12⅜	1.50	Pacific Gas & Electric	24½	25
37	19	2.40	Pacific Lighting	35	30
6⅜	2⅜	—	Packard Motors	4⅛	4½
39¼	17¼	1.00	Pennsylvania Railroad	22⅜	22⅜
22⅜	13	1.00	Phillips Petroleum	21⅞	21⅜
45	20⅜	2.40	Public Serv. of N.J.	38¼	38½
8¼	4	—	Radio Corporation	6½	6¼
62⅜	45¼	3.00	Reynolds Tobacco "B"	51⅜	52
38⅜	17¼	—	Schenley	29⅞	29⅝
51¼	31	0.75	Sears Roebuck	42⅝	42¼
19⅞	11	0.60	Socony-Vacuum	12⅜	12⅜
22¼	10⅛	1.50	Southern California Edison	19⅜	19½
33⅜	13	—	Sthrn. Pacific	18⅜	17⅝
36¼	7⅜	—	Sthrn. Railway	9⅝	7½
25¼	13⅜	1.00	Standard Brands	15⅝	15⅝
17	1⅜	—	Standard Gas & Electric.	3⅜	4⅛
42⅜	26¼	1.00	Standard Oil of Cal.	34½	34
50¼	35⅜	1.00	Standard Oil Co. of N. J.	47⅜	47½
67	47¼	3.50	Sterling Products	63	63
29⅜	15⅜	1.00	Texas Corporation	20	20⅛
43¼	29	2.00	Texas Gulf Sulphur	33⅜	33¾
8½	5	.12½	Transamerica	6½	6⅝
63	35⅞	1.60	Union Carbide & Carbon	62¼	62¼
133⅜	83½	6.00	Union Pacific	104½	102½
15¼	8⅛	—	United Aircraft (New)	14⅛	14
6½	3⅜	—	Un. Airline Trans.	5½	5½
8⅞	1⅛	—	United Corporation	3⅝	4
24	9⅜	—	U. S. Rubber	12⅛	12⅛
59⅞	27⅞	—	U. S. Steel	33¼	33¼
21⅜	11¼	—	Vanadium	13⅝	13¾
8¼	2¼	—	Warner Bros. Pictures	3⅞	3⅞
58⅞	27⅞	0.25	Westinghouse Electric	58⅞	58¾

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